



# MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month</i> . . . . .	I	2. The Health Organisation. . . . .	7
II. <i>General Questions</i> . . . . .	2	The Third Interchange of Public Health Personnel . . . . .	7
1. Conference of Naval Experts. . . . .	2	3. Communications and Transit. . . . .	7
2. Interpretation of the Covenant . . . . .	2	Simplification of the Passport System. . . . .	7
Meeting of the Special Commission of Jurists. . . . .	2	4. The Committee on Intellectual Co-operation. . . . .	8
3. International Agreements . . . . .	3	IV. <i>Administrative Questions</i> . . . . .	10
a) Amendments to the Covenant. . . . .	3	1. Danzig . . . . .	10
b) Registration of Treaties and International Agreements . . . . .	3	2. The Saar . . . . .	10
4. Meeting of the Supervisory Commission . . . . .	3	a) The Sixteenth Periodical Report of the Governing Commission. . . . .	10
5. Radio-Exchange between Monsignor Seipel and the Secretary-General. . . . .	4	b) Protest of the German Government with regard to the Circulation of Inhabitants of the Saar Territory in Occupied Germany. . . . .	13
III. <i>Technical Organisations</i> . . . . .	4	V. <i>Political Questions</i> . . . . .	13
1. The Economic and Financial Organisation. . . . .	4	Memel. . . . .	13
a) The Financial Reconstruction of Hungary. . . . .	4	VI. <i>Social and Humanitarian Questions</i> . . . . .	14
b) The Financial Reconstruction of Austria. . . . .	5	The Opium Traffic . . . . .	14
		VII. <i>Forthcoming Events</i> . . . . .	15
		VIII. <i>League Organisations and Commissions. — List of Members.</i> . . . .	15

Communications concerning the *Monthly Summary* should be addressed to the Information Section, League of Nations, Geneva.

### I. — Summary of the Month.

The meetings of the Hungarian Committee of the Council and the Special Commission of Jurists and the constitution of the Memel and Danzig League Commissions were the main events of the past month.

The Hungarian Committee of the Council met from January 16th to 22nd in London, when it put the finishing touches to the plan for the financial reconstruction of Hungary, which now awaits certain decisions of the Reparations Commission.

The Special Commission of Jurists appointed by the Council to examine certain questions pertaining to the interpretation of the Covenant and other points of international law, met at Geneva from January 18th to 24th. Agreement was reached on the answers to the questions formulated by the Council.

Two special commissions, the constitution of which had been decided upon by the Council at its last session, were set up, one to investigate the question of a site for a depot for Polish munition in transit through Danzig, the other to seek a solution to the difference which has arisen between the Powers represented on the Ambassadors' Conference and Lithuania with regard to Memel. Mr. Norman Davis, former Under Secretary of State of the United States, has accepted the chairmanship of the latter commission.

The International Office of University Information was definitely constituted. Two public appeals were sent out by the Chairman of the Committee on Intellectual Co-operation, one in favour of the National Committees on Intellectual Co-operation, the other for the reconstitution of the literary and scientific collections destroyed in the Japanese earthquake.

## II. — General Questions.

### 1. — CONFERENCE OF NAVAL EXPERTS

The Naval Sub-Commission of the Permanent Advisory Commission for Military, Naval and Air Questions has been convened to meet in Rome on February 14th, to consider the application of the principles of the Washington Naval Treaty to States not signatory to that Treaty, whether or not Members of the League.

Besides Brazil, Great Britain, France, Italy, Japan, Spain, Sweden, Belgium and Uruguay, the following States have agreed to send delegates to the Conference :

Argentina, Chile, Denmark, Greece, Norway, the Netherlands and Soviet Russia.

### 2. — INTERPRETATION OF THE COVENANT

#### *Meeting of the Special Commission of Jurists.*

The Special Commission of Jurists set up by the Council to consider certain questions regarding the interpretation of the Covenant and other points of international law formulated by the Council in connection with the Italo-Greek dispute, met at Geneva from January 18th to 24th.

Agreement was reached on the questions formulated by the Council and the answers will be submitted to the next session of the Council beginning on March 10th.

The Commission was composed of the following jurists selected by nine States represented on the Council and the Director of the Legal Section of the Secretariat :

M. Adatci (Chairman)	(Japan)
Lord Buckmaster.	(British Empire)
M. Buero	(Uruguay)
M. de Castello Branco Clark	(Brazil)
M. Fromageot	(France)
M. Rolandi Ricci.	(Italy)
M. Unden.	(Sweden)
M. Van Hamel, Director of the Legal Section of the Secretariat.	
M. de Villa Urrutia.	(Spain)
M. de Visscher.	(Belgium)

### 3. — INTERNATIONAL AGREEMENTS

#### a) *Amendments to the Covenant.*

The Albanian Government has deposited with the Secretariat the instruments of ratification of the amendments to articles IV, (Election of the Non-Permanent Members of the Council) and VI. (Allocation of Expenses) of the Covenant. The Uruguayan Government has ratified the amendments to Articles IV. and VI. (last paragraph); XII., XIII., XV. (Arbitration and Judicial Settlement), XVI. (Economic Weapon), and XXVI. (Ratification of Amendments). The Spanish Government has ratified the amendment to Article VI.

#### b) *Registration of Treaties and International Agreements.*

Among the treaties and agreements registered with the Secretariat during the month figure a series of conventions and agreements concluded by Germany and Poland in 1922, relating to various questions in connection with the Upper Silesian Settlement, such as the transfer of jurisdiction in the plebiscite zone, the frontier traffic, the State mines, the right of amnesty in the plebiscite zone etc., presented for registration by the German Government;

A treaty of commerce between Czechoslovakia and Greece, presented for registration by Greece;

A treaty of commerce and navigation between Denmark and Finland presented for registration by Denmark;

A treaty concluded by Switzerland and Lichtenstein, concerning the establishment of a Customs Union for the two countries, registered at the request of the Swiss Federal Council;

An exchange of notes between Hungary and Roumania with regard to the time-limit for requests to the Mixed Hungarian and Roumanian Arbitral Tribunal, presented for registration by Hungary;

An exchange of notes between Denmark and Norway concerning the reciprocal notification of cases of insanity, presented for registration by Denmark; and

An agreement concerning the exchange of postal orders between the General Post Offices of Australia and the Dutch East Indies, presented for registration by Holland.

### 4. — MEETING OF THE SUPERVISORY COMMISSION

The Supervisory Commission met from January 9th to 12th at Geneva for the purpose of examining various financial and administrative questions referred to it by the Assembly and the Council, including certain provisions of the internal financial regulations, the method of drawing up future budgets, the treatment and disposal of credit balances remaining at the end of a financial year, the contents of the *Official Journal*, the provident fund for the Secretariat and the salaries of the smaller staff.

At the beginning of the session, tribute was paid to the memory of the late chairman of the Commission, M. Noblemaire, M. Reveillaud replying on behalf of his Government.

The Commission was composed as follows :

M. Osusky (Chairman).	. . . . .	(Czechoslovakia)
Lord Meston of Agra (Vice-Chairman)	. . . . .	(India)
M. Reveillaud.	. . . . .	(France)
M. Nederbragt (Rapporteur)	. . . . .	(Netherlands)
M. Waddington.	. . . . .	(Chile)



*In attendance :*

M. Ceresa (Auditor of League accounts) . (Italy)  
M. Toja (Expert) . . . . . (Italy)

## 5. — RADIO-EXCHANGE BETWEEN MONSIGNOR SEIPEL AND THE SECRETARY-GENERAL

At the inauguration of the radio-telegraphic station of the Radio-Austria Company the Austrian Chancellor, Monsignor Seipel, addressed the following telegram to the Secretary-General :

"The full importance of the most modern means of communication, wireless telegraphy and telephony cannot truly be appreciated, if it is merely considered as a factor in the economic life of nations. Its greatest importance resides in the fact that it contributes most effectually to mutual understanding between nations. It is rare that nations are divided by purely material interests. A better knowledge of one another would promote a fuller comprehension and appreciation of one another. It is our hope that wireless telegraphy and telephony will work wonders in this direction, abolishing not only geographical, but also moral distances. Thus one of the greatest achievements of modern technical science would tend towards the same aim as the League of Nations. We Austrians have found to our advantage that the League of Nations is an efficacious means of promoting understanding between nations, and we wish once more to express our thanks and our desire that the ideals of philanthropy and reconciliation may in the near future find their way to the hearts of all nations, far and near."

The Secretary-General replied by the following telegram :

"I thank you very sincerely for the message forwarded at the inauguration of the radio-telegraphic station of the Radio-Austria Company. The organisation of this service furnishes fresh evidence of the vitality of the Austrian nation and of the progress of the financial reconstruction of Austria—an undertaking of which the League of Nations is justly proud, and to the success of which your Excellency has so largely contributed. I herewith express my best wishes for the development of the Radio-Austria station as a messenger of peace and understanding among the peoples."

## III. — Technical Organisations.

### 1. — THE ECONOMIC AND FINANCIAL ORGANISATION

#### a) *The Financial Reconstruction of Hungary.*

The Hungarian Committee of the Council met in London from January 16th to 22nd to continue its consideration of the plan for the financial reconstruction of Hungary. The States represented were : Czechoslovakia (M. Benes); France (M. Clauzel); Great Britain (Viscount Cecil); Hungary (Count Bethlen); Italy (Count Bonin-Longare); Roumania (M. Titulesco); and the Serb-Croat-Slovene Kingdom (M. Djouritch). The League's Financial Committee also sat in London during the same period.

The Council Committee examined in detail the two Protocols—the first relating to political conditions, and the second specifying the measures to be taken by Hungary—and the report unanimously presented by the Financial Committee at the Council meeting in December last. At the invitation of the Hungarian Com-

mittee, the Financial Committee gave further explanations on certain aspects of its report, which underwent no substantial modification.

The London meeting afforded an opportunity for considerable progress in the negotiations between the Little Entente Powers and Hungary on several factors of the problem which are outside the sphere within which the League has carried on its study, and the Council Committee was informed by the representatives of the countries concerned that there was every hope of these negotiations being satisfactorily concluded within a short time.

Eventually, the Council Committee, acting in virtue of the full powers delegated to it by the Council in December, formally and unanimously transmitted the report of the Financial Committee and the two Protocols to the Reparation Commission as embodying the scheme of financial reconstruction of Hungary prepared in accordance with the decision of the Council of September 29th, 1923, and the invitation of the Reparations Commission of October 17th. The scheme becomes operative when the requisite decisions have been taken by the Reparations Commission. These decisions concern the suggestions of the Financial Committee regarding the average treaty charge payments to be made by Hungary during the next twenty years. It will be remembered that, in the view of the Financial Committee, the maximum sum in reparations and other treaty charges such as restitution, expenses of armies of occupation, commissions, etc., which Hungary should be called upon to pay during the next twenty years, should not exceed an average of ten million Hungarian crowns (£400,000) annually, and that, during the first five years following the two and a half years reconstruction period in which the budget is to be balanced, the figures should be substantially less. Hungary should be relieved of all treaty payments during the period of reconstruction with the exception of the continuance of the delivery of coal which is being supplied and the charge for which is already in the budget. The Committee considers that these conditions, taken in conjunction with the general reform plan as a whole, should offer a sound basis for the issue of the loan of 250 million crowns (£10,000,000) which is to cover the deficit in the reconstruction period ending June 30th, 1926. The Reparation Commission will also have to take a decision raising the liens on Hungary so that security may be given for the loan. The covering letter of the Council Committee to the Commission emphasised the necessity for as rapid a conclusion as possible.

As soon as the scheme becomes operative, a League delegation will proceed to Budapest to collaborate with the Hungarian Government in the first measures required under the scheme, in particular the drawing up of a detailed programme of budget reform and the establishment of an independent bank of issue.

The League scheme, therefore, is complete except for the formal signature of the Protocols which awaits decisions outside the competence of the League.

#### *b) The financial reconstruction of Austria.*

The December and January reports of the Austrian Government to the Commissioner-General's office, besides showing the present status of the various administrative and financial reforms initiated under the League reconstruction scheme, give special details of the projected issue of metal coinage, the first since the inflation period.

Before its adjournment, the Austrian Parliament voted a law providing for the issue of metal coinage (100 and 200 crown pieces in copper; 1,000 and 2,000 crown pieces in nickel; and 5,000, 10,000 and 20,000 pieces in silver) with a view to doing away with a large amount of paper money. The issue will not exceed 60,000 crowns worth of silver per inhabitant, the 10,000 crown pieces, or shillings, having a 80 % standard.

### Financial Situation.

*Reduction of the number of State officials.* — The total number of dismissals reached the figure of 62,966 by January 19th, an increase of 10,928 as compared with the November figures. The figure of 75,000 dismissals provided for in the reconstruction scheme for December 31st, 1923 has, therefore, not yet been reached.

*Preliminary budgets for December and January.* — The preliminary estimates for December were fixed as follows :

Expenditure. . . . .	578	milliards
Revenues. . . . .	495	»
Deficit . . . . .	83	milliards

The Austrian Government has kept well within the limits fixed by the League Provisional Delegation, the average monthly deficit for the second half of 1923 being 189 milliards.

The preliminary budget for January—the beginning of the third phase of the period of financial reconstruction—shews the following figures :

Expenditure. . . . .	591, 8	milliards
Revenues. . . . .	512, 7	»
Deficit . . . . .	79, 1	milliards

According to the reconstruction scheme the average monthly deficit for the first six months of 1924 should not exceed 51,1 milliard paper crowns (expenditure : 573,5; revenues : 522,4). Thus, to maintain the budget within the limits fixed for 1924, it will be necessary during the coming five months to reduce the monthly deficit to less than 51,1 milliards.

*Yield of loan guarantees.* — The gross revenues from the customs and tobacco monopoly were 301 milliards in November and 308 milliards in December. The average monthly revenue from these two sources was 189 milliard paper crowns during the first six months of 1923, rising during the second half year to 266 milliard paper crowns. Calculated for the whole of 1923, the average monthly revenue amounted to 227 milliards.

The average necessary for the loan service is 90 milliards.

*Salt monopoly.* — At the invitation of the Commissioner-General, M. Leprince-Ringuet, inspector-general of the French mines, paid a visit to Austria in order to study the exploitation of the salt monopoly with a view to increasing its yield.

*General Situation.* — Unemployment is increasing. The number of unemployed rose from 78,390 at the beginning of December to 95,069 at the beginning of January.

Deposits in the savings banks have increased, the total having risen from 35 million gold crowns in November to 41 millions in January.

Bank notes to the value of 6.492 milliard paper crowns (451 million gold crowns) were in circulation on January 15th. Cover in a proportion of 63,8 % is provided by the gold reserve and foreign currency to the value of 4,417 milliard paper crowns. If total current accounts for 907 milliards be added to the total note circulation, commitments of 7,399 milliards are shown to be covered in a proportion of 56 %.

The Financial Adviser to the National Bank, M. Schnyder von Wartense, sent in his resignation at the end of 1923.

The cost of living index rose in December and January by 1 and 4 % respectively.

## 2. — THE HEALTH ORGANISATION

### *The Third Interchange of Public Health Personnel.*

The third interchange of public health personnel which was held in the United States at the invitation of the United States Public Health Service, came to an end on January 2nd.

The interchange, which included twenty-four doctors from eighteen European and American countries, began on September 10th at Washington and continued in selected Southern and Northern Atlantic States, such as Virginia, North Carolina, New York, Pennsylvania, and Massachusetts, ending with a general meeting of the European members at Geneva. The final conference was attended by Mr. G. S. Elliston, Executive Secretary of the Society of Medical Officers of Health of Great Britain, in view of the fact that the next interchange will be held in England, and by Professor Gunn, Director for Europe of the International Health Board of the Rockefeller Foundation.

At the Geneva meeting, the members of the interchange reported on special subjects allotted to them, such as the campaigns against diphtheria, malaria and tuberculosis, the control of venereal and contagious diseases, port health practice, vital statistics, school medical inspections, rural sanitation and country health work, public health nurses, public health laboratories, the control of food-stuffs and the milk supply. The constitution of the League and its Health Organisation were also studied at the meeting, which closed with a general discussion on the organisation of the third interchange with a view to future improvements.

## 3. — COMMUNICATIONS AND TRANSIT

### *Simplification of the passport system.*

A circular shewing the present status of passport and visa regulations was forwarded during January to all States Members of the League. This circular, compiled from information received by the Secretariat, shews various modifications of the passport system introduced by the different Governments with a view to conforming to the recommendations of the International Conference on Passports, Customs Formalities and Through Tickets, held in October, 1920, at Paris—recommendations which were endorsed by a resolution of the Second Assembly. As is shewn by the following table, both passports and visas have been abolished in a certain number of countries :

*Abolition of Passports.* — The necessity for a passport has been abolished for their respective nationals between :

Belgium, France and Luxemburg;  
Belgium and the Netherlands;  
Luxemburg and the Netherlands.

The necessity for a passport has been abolished for nationals of all countries by Cuba and Salvador.

*Abolition of Visas.* — The necessity for a visa has been abolished for their respective nationals between :

Albania and Italy;  
Austria and Liechtenstein;

Belgium and Great Britain, the Netherlands, China, Uruguay, Switzerland, Denmark, Norway, Spain and Sweden;

Spain and Cuba, Denmark, Iceland, Great Britain, Italy, the Netherlands, Norway and Switzerland;

France and Great Britain, the Netherlands, Switzerland, Austria, Brazil, Canada, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, the Dominican Republic, Ecuador, Haiti, Honduras, Italy, Liechtenstein, Mexico, Newfoundland, Nicaragua, Norway, Paraguay, Salvador, Siam, South Africa, Spain, Sweden and Uruguay;

Great Britain and Italy, Luxemburg, the Netherlands, Norway, Sweden and Switzerland;

Italy and Belgium, Cuba, Denmark, Esthonia, Fiume, Luxemburg, Mexico, Monaco, Norway, Salvador, Sweden and Venezuela;

Mexico and Switzerland;

Norway and Mexico;

The Netherlands and Italy, Switzerland, Denmark, Iceland, Great Britain, Luxemburg, Norway and Spain;

Portugal and Great Britain;

Switzerland and the United States, Liechtenstein, Luxemburg, Sweden, Uruguay, Denmark, Iceland and Norway;

Sweden and Spain and Luxemburg;

Denmark and Norway and Sweden;

Norway and Sweden.

Belgium has abolished the necessity for a visa for nationals of Italy, Japan and the United States; Switzerland has adopted the same measure for nationals of the Argentine Republic, Bolivia, Brazil, Chile, Colombia, Cuba, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Salvador, Venezuela, as well as for nationals of the British Empire its Dominions and Colonies, of North and South America and of the Dutch Colonies.

#### 4. — COMMITTEE ON INTELLECTUAL CO-OPERATION

During the month of January the International University Information Office was set up at Geneva. There was a meeting of the experts appointed by the Committee to enquire into the conditions of intellectual life in the various countries; and the Committee on Intellectual Co-operation issued two appeals, one for assistance to the national committees on Intellectual co-operation now being appointed in many countries, and the other for help in restoring libraries and scientific institutes that were destroyed by the earthquake in Japan.

*The International University Information Office.* — The provisional committee in charge of the scientific and technical work of this office met at Geneva on January 28th and drew up a programme for its activities during the current year, a scheme of co-operation between the International and national offices, etc., and plans for a quarterly bulletin of information.

The essential purpose of the International Office is to collect and make practical use of information on international aspects of university life as well as the methods of university education in all countries. The International Office will work through the national university offices, or, where they do not exist, through the national committees on intellectual co-operation or any other competent person or organisation in all questions that particularly concern an individual nation. It will also permanently keep in touch with international students organisations, particularly with the central office of the International Students' Association.

The quarterly bulletin of the Office will publish all the information collected by the Committee on Intellectual Co-operation, particularly that relating to exchanges of professors and students, internationally recognised courses and degrees, summer schools, international scholarships, assistance to students in countries with low exchanges, and so forth.

*Enquiry into the Conditions of Intellectual Life.* — The committee of experts which met at Geneva on January 28th studied the information supplied in answer to questionnaires addressed to Governments, universities, academies, associations of intellectual workers, etc., as to the difficulties of intellectual life to-day, and remedies that might be applied. Part of this information has already been used in a certain number of pamphlets (1), and the first practical result of this enquiry has been the formation of national committees of intellectual co-operation in Central Europe. M. de Reynold was asked to prepare a report on the methods and first results of this enquiry.

*Appeal on behalf of the National Committees of Intellectual Co-operation.* — M. Bergson, the Chairman of the International Committee of Intellectual Co-operation, has addressed an appeal on behalf of the national committees to all those who feel concerned at the serious conditions of present intellectual life.

The scheme of action worked out by the International Committee for organising international assistance and exchanges is based on national committees, to be formed in the various countries and to act as centres of information or coordinating agents. They transmit to each other or to the International Committee the most urgent requests received from institutions and intellectual workers in their countries concerning books, scientific instruments, travelling facilities, inter-university exchanges, etc. At the present moment there are seventeen national committees (in Austria, Belgium, Brazil, Bulgaria, Czechoslovakia, Esthonia, Finland, France, Greece, Holland, Hungary, Latvia, Lithuania, Poland, Roumania, Kingdom of the Serbs, Croats and Slovenes, and Switzerland). Others are being formed in Great Britain, Norway, Spain and the United States.

The national committees have considered it their most urgent duty to help in the intellectual "first-aid" work now being undertaken on an international scale and whose vital importance for the future of civilisation is recognised by all the committees. The resources at the disposal of the committees are, however, slender. This is why the International Committee has decided with the approval of the Assembly to launch a public appeal for the purpose of obtaining the sums necessary for the purchase of books and instruments, the publication of scientific works, endowment of travelling and other scholarships, etc.

The donors may, if they so desire, indicate the exact purposes for which they wish the sums granted to the Committee to be used. Thus they can, for instance, designate the national committee which is to use the money. In any case the donors will be informed of the use to which the money they have subscribed will be put and their names will be published in the *Bulletin of the International University Information Office*.

*Appeal for help in restoring the Tokio University Library.* — In its appeal the Committee of Intellectual Co-operation draw attention to the terrible catastrophe that overtook Japan last autumn, and which not only caused the loss of so many thousands of human lives but also the almost total destruction of a great number of public treasures, among which is the most important library in the country. M. Bergson, who signed the appeal in the name of the Committee, adds: "With most magnificent courage the Japanese people went to work to build-up their country on the morrow of the catastrophe. This work will be difficult and entail tremendous financial burdens. Simply in order to replace the 740,000 volumes and periodicals destroyed in the Tokio University Library would require more than 30 millions of francs." Gifts of books for the restoration of the Tokio University Library should be sent to the Embassies and Legations of Japan.

(1) See *Monthly Summary*, Vol. III, No. 10, p. 256.

## IV. — Administrative Questions.

### 1. — DANZIG

*Depot for Polish War Material.* — The Committee of Experts which, in accordance with a recent decision of the Council, is to investigate the question of a site for a Polish war material depot at Danzig, has been constituted as follows :

M. Borg, Director of the Port of Copenhagen. . . . .	(Danish)
M. Hoernell, Member of the Swedish Academy of Technical Science. . . . .	(Swedish)
Colonel Rémond. . . . .	(French)
Vice-Admiral Aubrey Smith . . . . .	(British)

The nominees, who have been selected by the chairmen of the Advisory and Technical Committee on Communications and Transit and the Permanent Advisory Commission for Military, Naval and Air Questions, left for Danzig at the end of January.

*Currency Reform.* — The Secretary-General has received the official text of the different laws in connection with the Danzig currency reform, such as the law on the introduction of the gulden, the law on gold, silver, nickel and copper coinage, the bill of ratification of the Polish-Danzig Agreement of October 22nd, and the law on the Bank of Issue with its annex specifying the methods of administration of the new bank.

The law on the introduction of the gulden prescribes that from January 1st, 1924, the gulden and the pfennig are sole legal tender in the territory of the Free City.

The constitutive assembly of the Bank of Issue will be held on February 4th, the operations of the bank to begin in the course of the month. The necessary capital has been raised, without resorting to a foreign loan, by subscriptions, partly from Polish sources.

*Prolongation of Colonel de Reynier's term of office.* — As a result of an agreement between the Free City and the Polish Government, the term of office of Colonel de Reynier, Chairman of the Danzig Harbour Board, which expires on March 10th next, has been prolonged for a further year.

### 2. — THE SAAR

#### 1. *Sixteenth Periodical Report of the Governing Commission.*

The Saar Governing Commission transmitted during January its sixteenth report, covering the last three months of 1923, and dealing with the economic, social and political situation of the Territory and various administrative questions.

#### a) *Economic and social situation of the Territory.*

The economic and social situation of the Saar has remained unchanged <sup>(1)</sup>. The gross yield of the mines, which in September amounted to 1,160,959 tons, rose in October to 1,223,503 tons and dropped in November and December to 1,149,331

(1) See *Monthly Summary*, Vol. III, No. 10, p. 257.

and 1,018,069 tons. The administrative board of the French state mines decided to re-engage all workmen, who had not been re-instated immediately after the strike. A slight increase in unemployment, usual in winter, occurred during the period.

With regard to the cost of living and the rarity of credit, no perceptible improvement was noted. Owing to the fact that prices had been steadily rising in the two neighbouring countries, France and Germany, it was impossible to bring about a fall in the prices of the Territory. The cost of living, however, is lower in the Saar than in Germany, and the Governing Commission is doing all in its power to maintain prices at the lowest possible level.

The cost of living, however, resulted in a demand for higher wages. In November the administrative board of the Mines granted a bonus of fifty centimes daily to all married workmen, and a similar figure for each dependent child.

The Territory is still suffering from the consequences of the miner's strike. The difficulties, however, appear to be purely temporary, the more so as certain circumstances are of favourable augury for the future. Special mention may be made of the fact that unemployed workmen, manufacturers and businessmen from various countries gravitate towards the Territory for the purpose of finding work and establishing manufactories, business, branches and agencies.

In 1920 and 1921, eight tobacco manufactories and eleven distilleries were founded. In 1923, the chemical industry, machinery and electrical appliances, textiles (hitherto almost unknown in the territory) and foodstuffs came to the fore, thirty large establishments being founded. The Commission is of opinion that these returns show a considerable industrial development.

During October and November the population of Saarbruck increased from 119,844 to 121,419. This is due mainly to the influx of new arrivals, in spite of the housing crisis and the difficulty of obtaining permission to reside in the Territory. The Governing Commission is of opinion that these returns are a sign of growing prosperity.

## *2. Political situation.*

The Advisory Council continued in session from July to the end of November giving, in due course and as provided by the Treaty of Versailles, its opinion on matters referred to it for consideration.

The members of the new Council will be elected on January 27th according to the procedure established by the decree of March 24th, 1922, providing for the constitution of an Advisory Council and Technical Committee, that is, by universal suffrage without distinction of sex, by secret vote, and according to the principles of proportional representation. In order to comply with the wishes of the electors, the Governing Commission has replaced the system of party balloting by the individual ballot, the latter system having already been introduced in the communal elections.

## *3. Administrative Questions.*

*I. General question. — Local police.* — The reinforcement of the local police is being actively pursued, and the plans for 1924-1925 are to be submitted at the next session of the Council.

*Garrison Troops.* — As a result of steps taken by the chairman of the Governing Commission the Saar garrison force will be reduced in the first weeks of 1924. The artillery detachment and engineers corps will be withdrawn, the remaining force being composed of an infantry regiment, two light infantry battalions, and a cavalry regiment.

*Demands presented by officials.* — During the last three months the officials and labourers employed in the Territory applied several times to the Governing



Commission for an increase of salary, whereupon the Governing Commission after consulting the representatives of the Saar inhabitants, established fresh regulations concerning the salaries of communal officials and organisations.

The Governing Commission, as a mark of its special interest, and in order to enable the Intercommunal Society for Cheap Building to surmount difficulties arising out of the increased price of materials and the rarity of credits, granted this organisation a new advance of 3,000,000 francs.

*II. Finance and Supplies. — Financial situation.* — The new member of the Governing Commission, Mr. G. W. Stephens, took up his duties as director of the Financial Department at the beginning of November.

The increase of the cost of living bonus, which took place by degrees as a result of numerous demands from officials and workmen, constitutes a serious financial problem, costing the Government about 26,000,000 francs.

*Fiscal Reform.* — The Governing Commission at its meeting of December 7th-8th, adopted unanimously the fiscal reform forecast in the preliminaries for the introduction of the franc as sole legal currency.

The report states that the reform, taken as a whole, may be considered as an endeavour to simplify a very complicated combination of Imperial, Prussian, Bavarian and Communal decrees. Henceforth there will only be a few simple laws for the whole Territory, an easy, unexpensive and equitable system. One of the main objects of the new system is to protect the tax payer against excessive taxation on the part of the Communes. The new legislation deals with income-tax, property, commercial profits, landed property, itinerant trades, etc. Moreover, the Governing Commission, with a view to increasing the revenue without introducing new taxes, has adopted a certain number of decrees of less importance, such as, decrees on transactions concerning personal estate, leases and real estate, a short analysis of which is given in the report.

*III. Public works. — Railways.* — Custom houses, which will be in operation as from January 10th 1925, are being erected along the German-Saar frontier.

*Postal and Telegraphic Service.* — Normal relations have been re-established between the Saar and Rhineland postal administrations.

*IV. Trade, Industry, Labour and Social Insurance.* — The Department for Trade and Industry has taken up the question of the high cost of living and has endeavoured, as far as possible to re-establish freedom of commerce in the Territory.

The Credit Bank for artisans of the Territory, up to December 31st, had advanced sums to the extent of 230,000 francs. The total sums lent on mortgage during the same period by the Caisse Centrale de Crédit Immobilier, which was founded under the auspices of the Governing Commission, amounted to 10,000,000 francs. The Department of Labour, through the agency of the Labour Bureau and the Arbitration Committee intervened with success in more than thirty disputes between employers and labourers.

*V. Social Welfare.* — Special allowances were made to disabled men during the last three months of 1923, the total of the sums granted amounting to 232,000 francs, and subsidy of 600,000 francs was granted in order to enable disabled men and families of men killed in the war to stock supplies for the winter. The special employment agency for the disabled found work for 117 persons during the last three months. The usual maternity doles and grants to tuberculous and convalescent persons were continued during the period. A considerable number of patients were received for treatment at the Homburg Hospital, which is developing normally.

The Governing Commission, after consulting the representatives of the Saar inhabitants, promulgated a decree on the treatment of tuberculosis in the Saar Territory, providing for compulsory notification of the disease by the practitioner in charge of the case.

VI. *Agriculture.* — The practice of distributing premiums for the encouragement of cattle-breeding has been continued. The success of this method is shown by recent exhibitions and the increase of the herds.

The 1923 harvest was satisfactory, surpassing the two preceding ones as far as cereals, potatoes and fodder were concerned. A new class was formed at the Blieskastel school of agriculture, one of the three agricultural training colleges of the Territory. The total attendance at these schools was 121.

*Conclusion.* — The report concludes in the following terms :

On the whole, conditions in the Saar Territory, despite certain difficulties due to the rise in prices, were satisfactory during the last three months of 1923.

By the promulgation—after consulting the Saar representatives—of decrees introducing a complete fiscal reform, the Governing Commission finished the work of financial restoration, which had begun with the modification of the currency regime. The Commission considers that it has now established the financial and economical life of the Saar on a sound basis, and believes, that the work of re-organisation which it first undertook in 1920 is nearing completion.

The Commission hopes that, in 1924, it may be possible to watch the normal development—untrammelled by economic crises such as the miners' strike—of the Saar institutions as created under the Treaty of Versailles. It is confident that these institutions will contribute to the prosperity of the country and its inhabitants.

b) *Protest of the German Government with regard to the circulation of Saar inhabitants in occupied Germany.*

The German Government has addressed to the Secretary-General a letter in which it alleges that the measures taken by the Inter-Allied High Commission for Rhineland with regard to the circulation of Saar inhabitants in occupied Germany are in contradiction with the provisions of § 2 of the Saar Annex of the Versailles Treaty. A group of political parties of the Saar has forwarded to the Secretary-General a petition dealing with the same question, accompanied by the comments of the Governing Commission. The latter body states that it has done all in its power to reach a settlement, but that legally it is not authorised to intervene in administrative measures of the Inter-Allied High Commission.

## V. — Political Questions.

### MEMEL (1)

The Memel Commission provided for by the Council resolution of December 15th, 1923, was constituted during the month and preparations made for the beginning of its work in the early days of February.

In accordance with the Council's desire that an American be named President of the Commission, Mr. Norman H. Davis, former Under Secretary of State of the United States, was approached during the month and accepted the position.

(1) See *Monthly Summary*, Vol. III, No. 12, p. 308.

Commission for an increase of salary, whereupon the Governing Commission after consulting the representatives of the Saar inhabitants, established fresh regulations concerning the salaries of communal officials and organisations.

The Governing Commission, as a mark of its special interest, and in order to enable the Intercommunal Society for Cheap Building to surmount difficulties arising out of the increased price of materials and the rarity of credits, granted this organisation a new advance of 3,000,000 francs.

*II. Finance and Supplies — Financial situation.* — The new member of the Governing Commission, Mr. G. W. Stephens, took up his duties as director of the Financial Department at the beginning of November.

The increase of the cost of living bonus, which took place by degrees as a result of numerous demands from officials and workmen, constitutes a serious financial problem, costing the Government about 26,000,000 francs.

*Fiscal Reform.* — The Governing Commission at its meeting of December 7th-8th, adopted unanimously the fiscal reform forecast in the preliminaries for the introduction of the franc as sole legal currency.

The report states that the reform, taken as a whole, may be considered as an endeavour to simplify a very complicated combination of Imperial, Prussian, Bavarian and Communal decrees. Henceforth there will only be a few simple laws for the whole Territory, an easy, unexpensive and equitable system. One of the main objects of the new system is to protect the tax payer against excessive taxation on the part of the Communes. The new legislation deals with income-tax, property, commercial profits, landed property, itinerant trades, etc. Moreover, the Governing Commission, with a view to increasing the revenue without introducing new taxes, has adopted a certain number of decrees of less importance, such as, decrees on transactions concerning personal estate, leases and real estate, a short analysis of which is given in the report.

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## V. — Political Questions.

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(1) See *Monthly Summary*, Vol. III, No. 12, p. 308.

Mr. Davis was an official of the United States Treasury during the war, a Member of the American Peace Delegation during the Peace Conference, Assistant Secretary of the Treasury and, finally, Under Secretary of State. Mr. Davis arrived at Geneva on January 29th.

The second Member of the Commission appointed, as provided for by the Council, on the nomination of the President of the Advisory Committee on Communications and Transit, is Mr. A. G. Kroller, a wellknown Dutch business man who is also a Member of the Dutch Economic Council of the Ministry of Foreign Affairs. Mr. Kroller arrived in Geneva on January 30th. The third Member of the Commission also nominated by the President of the Advisory Committee for Communications and Transit, is M. Hoernell, Member of the Swedish Academy of Technical Science.

## VI. — Social and Humanitarian Questions.

### THE OPIUM TRAFFIC

In conformity with the Assembly Resolution that Governments should inform the League of Nations of all important seizures of contraband drugs, various notifications of illicit traffic have been received lately by the Opium Section of the Secretariat and will be laid before the Advisory Committee at its next meeting.

*Seizure of German drugs at Johannesburg.* — In June 1923, the Customs Authorities of the Union of South Africa seized a case of twenty-five tins, each containing 1 kilogramme of morphine hydrochloride, imported by a Johannesburg firm from Mannheim through a Berlin forwarding agent. The information was transmitted by the Opium Section of the League Secretariat to the German expert on the Advisory Committee, with which the South African authorities were also asked to communicate directly.

*Seizure of German drugs at Calcutta.* — Information was received from the British Foreign Office of two seizures of cocaine-hydrochloride, made at Calcutta in September last. The two lots, of 250 and 600 ozs. respectively, were discovered in the bilge, one of the store-rooms and one of the tween hatches of two British-owned ships, and were of German manufacture.

*Smuggling at Sandakan.* — The Australian Government has informed the League that the Customs authorities at Sydney found 50 tins of opium (25 lbs. gross) concealed in the fore-part of a steamship which arrived from Hongkong via Sandakan in September 1923. Although there was no marking on the tins to indicate the country of origin, it was believed that the opium was purchased in Sandakan (British Borneo) by the Chinese crew for importation into the Commonwealth of Australia. The matter was brought to the notice of the British authorities at Sandakan for such action as they deemed desirable.

*Seizure at Hongkong.* — Information has been received from the British Government that, on May 23rd 1923, a consignment of one hundred and eighty pounds of heroin, shipped at Marseilles for Kobe, was seized by the authorities at Hongkong. It was discovered that the consignee was a native of Osaka, who is well-known to the Japanese police as a drug-smuggler, and that the consignment was apparently intended for re-export to Vladivostok.

*Morphia Cubes despatched to Canada under false bill of lading.* — In May 1923 information was received from the Canadian Government that four cases containing

morphia cubes, valued at between ten and twelve hundred pounds, had been seized at New York on their way to Montreal. As the forwarding agents were a Rotterdam firm, the Secretary-General communicated with the Netherlands Government, which sent the information that the goods had been sent from Switzerland under a false declaration and figured as "glow-lamps" on the bill of lading. These facts were in turn forwarded to the Swiss Government, which undertook to institute an enquiry into the matter.

*Seizure of Opium on French Ship at Havana.* — The Government of Cuba informed the Secretary-General that, in May last, a French vessel had arrived at Havana carrying 3,500 kilogrammes of contraband opium. Acting on information received from the Cuban Consul at Bordeaux, the Havana Customs authorities had searched the vessel on its arrival and confiscated and burnt the opium.

## VII. — Forthcoming Events

- In session : Meeting of the Naval Sub-Commission of the Permanent Advisory Commission for Military, Naval and Air Questions, Rome.  
Health Committee, Geneva.
- February 26th : Eleventh Session of the Economic Committee, Geneva.
- March 3rd : Meeting of the Allocation Committee, Geneva.
- March 10th : Twenty-eighth session of the Council.
- March 24th : Third session of the Committee of Government Experts on Double Taxation, Geneva.
- March 26th : Meeting of the Supervisory Commission, Paris.
- April 8th : Twenty-second meeting of the Governing Body of the International Labour Office, Geneva.
- May 5th : Meeting of Experts on Unfair Competition, Geneva.
- May : Twelfth session of the Economic Committee, Geneva.

## VIII. — League Organisations and Commissions.

### List of Members.

#### *The Assembly.*

(Not more than three representatives from each Member of the League.)

#### *The Council.*

(Consists of the representatives of France, Great Britain, Italy and Japan, who sit permanently, and those of six other States Members elected for one year by the Assembly.)

#### *Membership in 1924 :*

France . . . . .	M. Léon Bourgeois
	(Substitute : M. Hanotaux)
Great Britain . . . . .	
Italy. . . . .	M. Salandra
Japan. . . . .	Viscount Ishii
Belgium. . . . .	M. Hymans
Brazil. . . . .	M. Souza Dantas
Czechoslovakia. . . . .	M. Benes
Spain . . . . .	M. Quinones de Leon
Sweden . . . . .	M. Branting
Uruguay. . . . .	M. Guani

# *The Permanent Court of international Justice.*

(The Judges are elected by the Assembly and the Council for a period of nine years. The President and Vice-President are elected by the Court for a term of three years.)

## Judges :

M. Loder, President. . . . .	(Dutch)
M. Weiss, Vice-President. . . . .	(French)
M. Altamira . . . . .	(Spanish)
Commendatore Anzilotti . . . . .	(Italian)
M. Eitacio da Silva Pessoa . . . . .	(Brazilian)
M. de Bustamente. . . . .	(Cuban)
Lord Finlay. . . . .	(British)
M. Huber. . . . .	(Swiss)
Mr. Moore . . . . .	(American)
M. Nyholm. . . . .	(Dane)
M. Oda. . . . .	(Japanese)

## Deputy Judges

M. Beichman . . . . .	(Norwegian)
M. Negulesco. . . . .	(Roumanian)
M. Wang Chung Hai . . . . .	(Chinese)
M. Yovanovich . . . . .	(Serbian)

## Registrar :

M. Hammarskjöld. . . . .	(Swedish)
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## *Permanent Advisory Commission on Military, Naval and Air Questions.\**

(Constituted by a Council Resolution of May 9, 1920, pursuant to Article IX. of the Covenant. The members are appointed by, and are representatives of, their Governments. The President of the Military, Naval, and Air Sub-Commissions are selected by rotation of nations represented on the Commission for periods of six months. The President of the Plenary Commission is elected at each session by, and from, the Presidents of the Sub-Commissions. This list includes a number of regular members of the different delegations who have frequently taken the place of members of the Commission)

Lieutenant-General de Ceuninck. . . . .	(Belgium)
Colonel van Crombrugge. . . . .	(Belgium)
Colonel Andrade Neves . . . . .	(Brazil)
Rear-Admiral de Souza e Silva . . . . .	(Brazil)
Colonel J. S. Lowe, D.S.O. . . . .	(British Empire)
Rear-Admiral Aubrey C. H. Smith, C.B., M.V.O. . . . .	(British Empire)
Commander N. W. Diggle, C.M.G. . . . .	(British Empire)
Paymaster-Commander E. Kennedy. . . . .	(British Empire)
The British Air Representative. . . . .	(British Empire)
Marshall Fayolle. . . . .	(France)
Colonel Requin . . . . .	(France)
Vice-Admiral Jehenne . . . . .	(France)
Captain Deleuze. . . . .	(France)
General Dumesnil. . . . .	(France)
Colonel Faure) . . . . .	(France)
Brigadier General de Marinis Stendardo di Ricigliano. . . . .	(Italy)
Vice-Admiral Baron Acton. . . . .	(Italy)
Captain Don F. Ruspoli. . . . .	(Italy)
Brigadier-General Hayashi . . . . .	(Japan)
Lieutenant-Colonel K. Shinomoto. . . . .	(Japan)
Rear-Admiral Kiyokawa . . . . .	(Japan)
Captain Takenaka. . . . .	(Japan)
Captain Yzumi. . . . .	(Japan)

Captain Kuni Usui . . . . .	(Japan)
Captain Ogura . . . . .	(Japan)
Commander Giga . . . . .	(Japan)
Brigadier-General Don Juan Garcia Benitez . . . . .	(Spain)
Lieutenant-Colonel Carlos Espinosa de los Monteros . . . . .	(Spain)
Rear-Admiral Marquis de Magaz . . . . .	(Spain)
Captain J. Montagut . . . . .	(Spain)
Lieutenant-Colonel Garcia de Pruneda . . . . .	(Spain)
Colonel O. E. Nygren . . . . .	(Sweden)
Major S. H. Gadd . . . . .	(Sweden)
Captain C. F. W. de Riben . . . . .	(Sweden)
Captain E. W. H. de Wrangel . . . . .	(Sweden)
General Vladimir Klecanda . . . . .	(Czechoslovakia)
Commandant d'Etat-Major Rudolf Kunzl Jizersky . . . . .	(Czechoslovakia)
Colonel Sylvestr Blaha . . . . .	(Czechoslovakia)
Major Pedro Sicco . . . . .	(Uruguay)

*Military Sub-Commission of the Permanent Advisory Commission.*

Lieutenant-General de Ceuninck . . . . .	(Belgium)
Colonel Andrade Neves . . . . .	(Brazil)
Colonel J. S. Lowe . . . . .	(British Empire)
Marshall Fayolle . . . . .	(France)
Colonel Requin (Assistant) . . . . .	(France)
Brigadier-General de Marinis Stendardo di Ricigliano . . . . .	(Italy)
Brigadier-General Hayashi . . . . .	(Japan)
Lieutenant-Colonel K. Shinomoto . . . . .	(Japan)
Captain Honda (Assistant) . . . . .	(Japan)
Brigadier-General Don Juan Garcia Benitez . . . . .	(Spain)
Lieutenant-Colonel Carlos Espinosa de los Monteros (Assistant) . . . . .	(Spain)
Colonel O. E. Nygren . . . . .	(Sweden)
Major S. H. Gadd (Assistant) . . . . .	(Sweden)

*Naval Sub-Commission of the Permanent Advisory Commission.*

Rear-Admiral de Souza e Silva . . . . .	(Brazil)
Rear-Admiral Aubrey C. H. Smith . . . . .	(British Empire)
Commander N. W. Diggle (Assistant) . . . . .	(British Empire)
Paymaster-Commander E. Kennedy (Assistant) . . . . .	(British Empire)
Vice-Admiral Jehenne . . . . .	(France)
Captain Deleuze (Assistant) . . . . .	(France)
Vice-Admiral Baron Acton . . . . .	(Italy)
Captain Don F. Ruspoli (Assistant) . . . . .	(Italy)
Rear-Admiral Kiyokawa . . . . .	(Japan)
Captain Takenaka (Assistant) . . . . .	(Japan)
Captain Yasutomi (Assistant) . . . . .	(Japan)
Rear-Admiral Marquis de Magaz . . . . .	(Spain)
Captain J. Montagut (Assistant) . . . . .	(Spain)
Captain C. F. W. de Riben . . . . .	(Sweden)
Captain E. W. N. de Wrangel (Assistant) . . . . .	(Sweden)

*Air Sub-Commission of the Permanent Advisory Commission.*

Colonel van Crombrugge . . . . .	(Belgium)
Rear-Admiral de Souza e Silva . . . . .	(Brazil)



The British Air Representative. . . . .	(Great Britain)
General Dumesnil. . . . .	(France)
Colonel Faure (Assistant). . . . .	(France)
Captain Kuni Utsui . . . . .	(Japan)
Captain Ogura (Assistant) . . . . .	(Japan)
Commander Giga (Assistant) . . . . .	(Japan)
Brigadier-General Echague . . . . .	(Spain)
Lieutenant-Colonel Garcia de Pruneda (Assistant) . . . . .	(Spain)

*Temporary Mixed Commission for the Reduction of Armaments.*

(Constituted by the Council in accordance with a resolution of the First Assembly to represent certain main lines of international thought; political, technical, financial, economic and labour. There is a permanent President nominated by the Council, and Vice-Presidents chosen annually by the Commission)

*Civilian Members selected by the Council of the League.*

M. René Viviani, President. . . . .	(French)
M. A. Lebrun. . . . .	(French)
M. H. Branting. . . . .	(Swedish)
Viscount Cecil of Chelwood. . . . .	(British)
Major J. W. Hills. . . . .	(British)
M. Schanzer . . . . .	(Italian)
Count Bonin-Longare . . . . .	(Italian)
Prince Lubomirski. . . . .	(Polish)
M. Alcalá-Zamora. . . . .	(Spanish)
M. E. Lohner. . . . .	(Swiss)
M. Matsuda . . . . .	(Japanese)
M. Urrutia . . . . .	(Colombian)
M. Villegas . . . . .	(Chilian)
M. Holsti . . . . .	(Finnish)

*Experts selected by the Permanent Advisory Commission on Military, Naval, and Air Questions.*

General Hayashi . . . . .	(Japanese)
Admiral Marquis de Magaz. . . . .	(Spanish)
Admiral de Souza e Silva . . . . .	(Brazilian)
Marshall Fayolle. . . . .	(French)
General de Marinis Stendardo di Ricigliano . . . . .	(Italian)
Rear-Admiral Aubrey C. H. Smith, C.B., M.V.O. . . . .	(British)

*Experts selected by the League Economic Committee.*

M. D. Jancovici. . . . .	(Roumanian)
Marquis A. de Viti de Marco . . . . .	(Italian)

*Experts selected by the League Financial Committee.*

Sr. James Brunyate. . . . .	(Indian)
M. A. Jancin. . . . .	(Belgian)

*Labour Representatives selected by the Labour Group of the Governing Body of the International Labour Office.*

M. L. Jouhaux . . . . .	(French)
M. J. Oudegeest . . . . .	(Dutch)
M. Thorberg . . . . .	(Swedish)

*Representatives of Employers selected by the Employers' Group of the Governing Body of the International Labour Office.*

M. F. Hodacz. . . . .	(Czechoslovakian)
M. H. Langkjaer . . . . .	(Danish)
Colonel David Carnegie . . . . .	(Canadian)

*Economic and Financial Commission.*

(Appointed by the Council in accordance with a recommendation of the Brussels Financial Conference, 1920.)

M. Gustave Ador, Chairman . . . . .	(Swiss)
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*Financial Committee.*

Commendatore Bianchini. . . . .	(Italian)
M. Figueras. . . . .	(Spanish)
M. Janssen. . . . .	(Belgian)
M. C. E. Ter Meulen . . . . .	(Dutch)
Mr. O. E. Niemeyer, C.B . . . . .	(British)
M. J. Parmentier . . . . .	(French)
Dr. Vilem Pospisil. . . . .	(Czechoslovakian)
M. T. Sekiba . . . . .	(Japanese)
Sir Henry Strakosch. . . . .	(South African)
M. Carlos Tornquist. . . . .	(Argentine)
M. Marcus Wallenberg. . . . .	(Swedish)

*Committees in relation with the Financial Committee.*

*Committee of Experts on Double Taxation.*

Professor Einaudi . . . . .	(Italian)
Sir Josiah Stamp . . . . .	(British)
Professor Bruins. . . . .	(Dutch)
Professor Seligman. . . . .	(American)

*Committee of Government Experts on Double Taxation.*

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M. Baudouin-Bugnet. . . . .	(French)
M. Clavier . . . . .	(Belgian)
M. Jean Blau. . . . .	(Swiss)
Professor Pasquale d'Aroma. . . . .	(Italian)
M. J. H. R. Sinninghe Damste . . . . .	(Dutch)
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Commendatore Bianchini. . . . .	(Italian)
Mr. O. E. Niemeyer. . . . .	(British)

*Economic Committee.*

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Mr. C. A. B. Campion . . . . .	(Australian)
M. J. A. Barboza Carneiro. . . . .	(Brazilian)
M. Jan Dvoracek . . . . .	(Czechoslovakian)
M. Henri Heer . . . . .	(Swiss)
M. Adolf Jensen . . . . .	(Danish)
M. S. Matsuyama. . . . .	(Japanese)
Professor Neculcea . . . . .	(Roumanian)
Dr. Albert Pirelli . . . . .	(Italian)
M. D. Serruys . . . . .	(French)
Sir Hubert Llewellyn Smith, G.C.B. . . . .	(British)
M. A. Wieniawski. . . . .	(Polish)

*Sub-Committees of the Economic Committee :*

*Sub-Committee for the Equitable Treatment of Commerce.*

M. Brunet . . . . .	(Belgian)
M. Barboza Carneiro. . . . .	(Brazilian)
M. Dvoracek . . . . .	(Czechoslovakian)
M. Matsuyama. . . . .	(Japanese)
Dr. Pirelli . . . . .	(Italian)
M. Serruys . . . . .	(French)
Sir Hubert-Llewellyn Smith. . . . .	(British)

*Sub-Committee for the Co-operation of the League of Nations and the International Institute of Statistics*

M. J. Dvoracek. . . . .	(Czechoslovakian)
M. A. Jensen. . . . .	(Danish)
Professor Neculcea. . . . .	(Roumanian)
Sir Hubert Llewellyn Smith . . . . .	(British)

*Advisory and Technical Committee on Communications and Transit.*

(This Committee being in process of reconstitution, the list of members will be published in a later issue of the *Review*.)

*Health Committee.*

Mlle. K. Bonnevie . . . . .	(Norwegian)
M. A. de Castro . . . . .	(Brazilian)
Mme. Curie-Sklodowska . . . . .	(Polish)
M. J. Destrée . . . . .	(Belgian)
M. H. A. Lorentz . . . . .	(Dutch)
Mr. R. A. Millikan . . . . .	(American)
Mr. G. A. Murray . . . . .	(British)
M. G. de Reynold . . . . .	(Swiss)
M. F. Ruffini . . . . .	(Italian)
M. L. de Torres Quevedo . . . . .	(Spanish)

*Austrian Correspondent :*

M. A. Dopsch.

*Experts :*

M. G. Castella . . . . .	(Swiss)
M. J. Luchaire . . . . .	(French)
M. H. Reverdin . . . . .	(Swiss)

*Composition of Sub-Committees :*

*Bibliography.*

M. Bergson . . . . .	(French).
Mme. Curie-Sklodowska . . . . .	(Polish)
M. Destrée . . . . .	(Belgian)
M. M. Godet . . . . .	(Swiss)
Mr. C. T. Hagberg Wright . . . . .	(British)
Mr. J. R. Schramm . . . . .	(American)

*Inter-University Relations.*

M. Bergson . . . . .	(French)
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THE  
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OF THE  
LEAGUE OF NATIONS

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Vol. IV. No. 2

March 15<sup>th</sup> 1924

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FEBRUARY 1924

Vol. IV. No. 2.

March 15th 1924.

## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month.</i> . . . .	29	b) The Financial Reconstruc-	
II. <i>Death of President Wilson.</i> . .	30	tion of Austria . . . . .	38
III. <i>Reduction of Armaments.</i> . . .	32	c) Meeting of the Economic	
1. Ninth Session of the Tempo-		Committee . . . . .	39
rary Mixed Commission. . .	32	d) The Third Report of the	
2. Session of the Permanent Ad-		Financial Adviser to the	
visory Commission for Mili-		Albanian Government . .	41
tary Naval and Air Ques-		VI. <i>Administrative Questions.</i> . . .	41
tions . . . . .	33	The Saar. . . . .	41
3. Commission of Naval Ex-		VII. <i>The Protection of Minorities</i> . .	41
perts . . . . .	33	The Acquisition of Polish Natio-	
IV. <i>General Questions</i> . . . . .	34	nality. . . . .	41
International Agreements . . .	34	VIII. <i>Political Questions.</i> . . . .	42
a) Registration of Treaties . .	34	Memel. . . . .	42
b) Ratifications. . . . .	35	IX. <i>Social and Humanitarian Ques-</i>	
V. <i>Technical Organisations</i> . . . .	35	tions . . . . .	43
1. The Health Organisation . .	35	1. The Opium Traffic . . . . .	43
First Session of the Perma-		2. The Traffic in Women and	
nent Health Committee. . .	35	Children. . . . .	43
2. The Economic and Financial		X. <i>Forthcoming Events.</i> . . . .	44
Organisation. . . . .	37	XI. <i>Organisations and Commissions</i>	
a) The Financial Reconstruc-		of the League of Nations. . .	44
tion of Hungary . . . . .	37		

Communications concerning the *Monthly Summary* should be addressed to the Information Section, League of Nations, Geneva.

### I. — Summary of the Month.

The month of February was marked by progress in a number of different League of Nations activities in connection with armaments, the reconstruction of Austria and Hungary, the mediation of the Memel dispute and the advancement of health and other social objects.

The Temporary Mixed Commission for the Reduction of Armaments met at Geneva. A representative of the United States Government was, for the first time, present to take part in the discussion of questions raised by the inability of that Government to ratify the Convention of St. Germain. As a result of the more detailed explanations given by that representative and of the submission of two new draft conventions, the Commission decided to request a special Sub-Commission to prepare a new convention which, it is hoped, will be acceptable to the United States as well as to the other Powers.



Later in the month, a Commission of Naval Experts met at Rome to undertake certain studies preparatory to the holding of an international conference to extend to non-signatory Powers the principles of the Washington Naval Agreement. The report of the Commission has been transmitted to the meeting of the Council in March.

The League's scheme for the financial reconstruction of Hungary was considerably advanced during the month through the fact that the Reparation Commission took the two decisions required of it before the League plan could become effective, namely, the acceptance of the maximum annual average of reparations and treaty payments suggested by the League and the releasing of the liens necessary as security for a loan. Immediately after these decisions, preparations were made for the departure of a delegation of the League's Financial Committee to Budapest.

The latest reports of Dr. Zimmerman, the League's Commissioner-General for Austria, received during the month, show that the Austrian Federal Budget is rapidly approaching equilibrium, though on a much higher level than was foreseen by the League's Reform Plan. A report was received during the month from Mr. Hunger, Financial Adviser to Albania, showing the difficulties and the progress of that country.

The Commission formed to report on the means of settlement of the Memel difficulty between the Principal Allied Powers and Lithuania under the Presidency of Mr. Norman H. Davis, formerly Under-Secretary of State of the United States of America, began its work at Geneva. The Commission, after a preliminary discussion, visited Memel and returned to Geneva to hear the Lithuanians and other interested parties in the hope of being able to present a report to the next session of the Council.

The Germano-Polish negotiations suggested by the Council in order to reach agreement on certain questions of nationality, also began at Geneva during the month. These negotiations, which are being held under the direction of M. Souza Dantas (Rapporteur of the Council), were attended by an important delegation from each of the interested countries.

In the field of social and humanitarian questions, the first meeting of the newly-organised Health Committee was held at Geneva. Permanent co-operation was thus definitively effected between the Provisional Health Committee and the *Office International d'Hygiène Publique*, and the whole field of future work carefully gone over.

At the same time the Preparatory Committee which is to draw up the programme for the general Conference in November on the limitation of the production and manufacture of Opium and other drugs, was fully constituted during the month and the first session fixed for March 6th. Likewise the membership of the Committee of Experts for the investigation into the scope and method of operation of the traffic in women and children, was determined and the first meeting fixed for April 1st.

## II. — Death of President Wilson.

The death of Ex-President Wilson was marked by special tributes at the opening meeting of the Temporary Mixed Commission on the Reduction of Armaments on February 4th, and by telegrams of sympathy from Mr. Branting, President of the Council, M. Weiss, Vice-President of the Permanent Court of Inter-

national Justice, and Sir Eric Drummond, Secretary-General of the League. In all these expressions stress was laid on the great part which Mr. Wilson had played in promoting international peace, particularly through the creation of the League of Nations, and on the fact that the work for which he made such sacrifices had now become an integral part of international affairs.

On the day Mr. Wilson's death was announced, the Temporary Mixed Commission for the Reduction of Armaments met in Geneva for its ninth Session with a representative of the United States Government present for the first time. With all the delegates standing, tributes were paid to the memory of Mr. Wilson by M. Schanzer (Italy), as President of the Commission, Viscount Cecil (Great Britain), who was intimately associated with Mr. Wilson at Paris, M. Lebrun (France), M. Urrutia (Colombia) and M. de Souza e Silva (Brazil). The American Minister at Berne, Mr. Joseph Clark Grew, who had come to the Commission for the first time to explain the views of the United States on the Convention of St. Germain, responded to these tributes, after which the Commission adjourned out of respect to Mr. Wilson's memory.

Mr. Branting (Sweden), President of the Council, who happened to be in Geneva, attending this meeting, immediately despatched the following telegram to Mrs Wilson :

"I am sure that I express the unanimous sentiment of my colleagues on the Council of the League of Nations in conveying to you the assurance of our most deepfelt and respectful sympathy in your great bereavement. The League of Nations will always remember that President Wilson, inspired as he was by the highest ideals for the peaceful development of humanity, contributed more than anyone else to the creation of this organisation for international cooperation and conciliation. His memory will always live venerated and cherished."

M. André Weiss, Vice Président of the Permanent Court of International Justice, in the absence of Mr. Loder, the President, telegraphed on behalf of the Court, as follows :

"On behalf of the Permanent Court of International Justice I wish to express deep sympathy with your irreparable loss and to pay tribute to the memory of the statesman whose efforts made possible the establishment of an institution called upon to administer law between nations."

Sir Eric Drummond, Secretary-General of the League, on behalf of his colleagues of the Secretariat, issued the following statement in addition to a personal message to Mrs. Wilson :

"Nowhere in the world will the death of Mr. Wilson awake stronger emotions than amongst those at Geneva who, while he has lain stricken on his sick-bed, have been privileged to take part directly in the attempt to translate into practice the high principles of international co-operation and conciliation for which he may truly be said to have given his life. Undoubtedly the greatest of our spiritual leaders has passed away, a man who had the opportunity granted to few indeed of standing at a cross-roads in history and pointing out a new way for his fellow-men. Mr. Wilson came to Europe at the end of the world's most desperate war, and stood in the councils of the exhausted nations as the acknowledged champion of a new hope and a new vision. In the main Mr. Wilson triumphed, for his hopes for an association of nations, for an ordered method of arbitration, for a permanent agency of peace, were inscribed as Part One of the Treaties. Slowly at first, but with increasing faith, the other nations turned towards this new ideal, while Mr. Wilson himself was making his last fight at home. With that struggle we on this side have no concern. While the non-entry of the United States caused a serious dislocation to the original ideas of the League, it shortly became manifest, first, that an international association was none the less essential at this moment of history, and, second, that such an association could perform useful service even if seriously handicapped by events beyond its control. So the work has gone on, ever increasing in scope and importance and bringing always more nations and

wider interests about the common council table. The passing of Mr. Wilson, while taking away the greatest advocate of international co-operation, will provide a new and sober inspiration for those of us at Geneva who are, most insufficiently, but to the best of our powers, attempting to carry out the ideal which he set. Mr. Wilson has gone, but the work for which he gave his life has only just begun."

### III. — Reduction of Armaments.

#### 1. — NINTH SESSION OF THE TEMPORARY MIXED COMMISSION

The Temporary Mixed Commission for the Reduction of Armaments held its ninth session at Geneva from February 4th to 7th, with a representative of the United States Government present for the first time to discuss the questions raised by that Government's inability to ratify the Convention of St. Germain for the control of the traffic in arms and munitions. The Persian Government was also represented, Prince Arfa-ed-Dowleh informing the Commission that while his Government had raised certain objections to the St. Germain Convention, it was ready associate itself with any useful measures to prevent the illicit traffic in arms and munitions.

At the opening of the meeting, Mr. Grew, American Minister at Berne, who had been delegated by his Government in response to an invitation of the Council, said :

"The attitude of my Government towards the Convention of St. Germain is known to you all. It was set forth in the communication addressed by the Secretary of State of the United States to the Secretary-General of the League on September 12th, last, a copy of which is before you. I need not elaborate that communication; it speaks for itself. While my Government expressed cordial sympathy with any efforts suitably to restrict traffic in arms and munitions of war, there were certain features which rendered its acceptance by the United States impracticable.

"It was therefore particularly agreeable to my Government to note the resolution of the Fourth Assembly, requesting this Commission to draw up a draft convention or conventions in such form that they might be accepted by the Governments of all countries which produce arms or munitions of war. My Government is no less anxious than other Powers suitably to control the traffic in arms, as has been shown by the action of the Administration under existing legislation and by the policy which has actually been adopted in taking measures for the proper restraint of this traffic which lay within the authority of the Executive Departments of the Government.

"I have therefore been instructed to attend the meetings of this Commission, in accordance with the invitation extended to my Government in December last, for the purpose of being fully advised as to any proposals that may be made and particularly to receive information respecting any draft convention which may be considered by the Commission. While I have no authority to bind the Government of the United States and while I am not here in the capacity of a technical expert, I shall be happy to transmit promptly to my Government any recommendations that may be formulated by the Commission and to say that in case any appropriate plan is devised, the question of securing the necessary legislation in the United States will have full and proper consideration."

After this declaration, the Commission proceeded to a detailed discussion of the arms traffic question. Two new draft conventions were submitted, the one prepared by the Marquis de Magaz (Spain) and the other by M. Jouhaux (Labour Group of the Temporary Mixed Commission). At the same time, Mr. Grew further elaborated various phases of the American point of view. As a result of the general explanation thus effected and of the suggestions made for a new convention which would be acceptable to the United States as well as to the other Powers,

the Commission decided to transmit the two proposed conventions, together with the various opinions brought out at the meeting, to a smaller sub-commission to meet in Paris on March 24th, in the hope of preparing a new draft for submission to the Plenary Commission. This Sub-Commission is composed of : M. Lebrun (France), Lord Cecil (Great Britain) Count Hiroawawa (Japan), M. Lohner (Switzerland), M. Urrutia (Colombia), Admiral de Magaz (Spain), General de Marinis (Italy), Rear-Admiral Aubrey Smith (Great Britain), M. Jancovici (Roumania), M. Janssen (Belgium), Marquis di Viti di Marco (Italy), Colonel Carnegie (Canada), M. Hodac (Czechoslovakia), M. Jouhaux (France).

The question of private manufacture of arms and munitions was also discussed during this session. A draft convention on the subject was presented by Colonel Carnegie (Canada) and a proposal made by the Labour Group of the Commission for the complete prohibition of private manufacture. The Sub-Commission mentioned above was asked to prepare a draft convention based on Colonel Carnegie's plan, while the Permanent Advisory Commission for Military, Naval and Air Questions was also requested to draw up an authoritative list of arms and munitions of war as compared with arms and munitions for other purposes.

Several other questions were also considered. That of the co-ordination of the work of the Temporary Mixed Commission and of the Permanent Advisory Commission for Military, Naval, and Air Question was referred to a special Committee composed of Mr. Branting, Lord Cecil, M. Hodac, General de Marinis, M. Oudegeest, Colonel Réquin and M. de Villegas. Replies received from various experts on the probable effect of chemical discoveries on warfare were also referred to a special Committee. Finally, the Secretariat was requested to prepare a memorandum on regional agreements.

## 2. — SESSION OF THE PERMANENT ADVISORY COMMISSION FOR MILITARY, NAVAL AND AIR QUESTIONS

The Permanent Advisory Commission met at Geneva on February 6th to examine questions relating to the co-ordination of its work with that of the Temporary Mixed Commission for the Reduction of Armaments and to prepare the meeting of its Naval Sub-Commission at Rome. At this session, representatives of Czechoslovakia and Uruguay as members of the Council took their seats on the Commission for the first time.

## 3. — COMMISSION OF NAVAL EXPERTS

The Commission of Naval Experts convened by the League to undertake certain studies preparatory to the holding of an international conference to extend to non-signatory States the principles of the Washington Naval Agreement set in Rome from February 14th to 25th. The Commission was composed of the Naval Sub-Commission of the Permanent Advisory Commission for Military, Naval and Air Questions and a certain number of experts from countries owning capital ships whom the League had invited to send delegates.

The representatives present at the meeting were :

### *Members of the Naval Sub-Commission.*

Lieutenant-General de Ceuninck . . . . .	(Belgium).
Rear-Admiral de Souza e Silva; Captain Bricio Guilhaon .	(Brazil)
Rear-Admiral Marquis de Magaz; Captain J. Montagut. .	(Spain)
Rear-Admiral Aubrey Smith; Captain Kennedy. . . . .	(Great Britain)
Vice-Admiral Jehenne; Captain Deleuze. . . . .	(France)

tional Health Administrations are profiting by the experience gained to perfect the arrangement of the interchanges, and several have begun to issue handbooks on various aspects of their national health service. Moreover, candidates are now selected well in advance, and taken from "strategic" posts in their respective administrations, thereby making certain that the maximum benefits will accrue.

*The Far Eastern Report.* — The Health Committee recommended to the Council that an epidemiological intelligence office should be set up at some convenient port in the Far East, as suggested in the report of the Mission to the Far East and, further, that this report, and particularly a recommendation as to a sanitary convention between Far Eastern States, should be communicated to the Governments concerned for their observations.

*The Epidemic Commission.* — The Health Committee noted that the special emergency work of the Epidemic Commission in Poland and Greece was now concluded, and that the activities of the Commission were being turned more and more into the channels of enquiry and investigation which are part of the normal role of the Health Organisation. Thus, while the budget of the Commission for its special work in Poland and Greece was made up from voluntary contributions, the last Assembly voted a sum of 50,000 francs on the regular budget of the Health Organisation to permit of the Epidemic Commission continuing its enquiries and epidemiological research work. It was decided that part of these funds should be used by the Commission for collaborating with the Russian Health authorities in their epidemiological researches into the typhus and cholera epidemics that devastated Russia immediately after the war, as well as the epidemics of plague reported from the Kirghiz Republic and Kalmuk territory.

The Health Committee expressed its satisfaction at the resolution of the Fourth Assembly, which, taking into consideration that the Epidemic Commission's work during times of acute distress was likely to be arrested for lack of funds if the Commission were solely dependent upon voluntary contributions, recommended that the Councils should in case of need study what resources could be placed at the disposal of the League Health Organisation to enable it "to intervene immediately through the intermediary of its Epidemic Commissioners in the event of sudden epidemic outbreaks of exceptional importance which might involve political consequences."

*Malaria.* — The Committee adopted the report of the Sub-Committee appointed last June to suggest methods of co-ordinating the campaign against malaria which is being conducted by a number of European states as a result of the aggravation of this disease in the years succeeding the war. A questionnaire drawn up in conjunction with malaria experts in the various countries is to be sent to the Health Administrations of European countries affected by malaria and the replies studied by a Sub-Committee composed of some members of the Health Committee and malaria experts co-opted from outside. The Health Committee will thus be in a position to furnish advice to governments which consult it on the subject.

Such advice has already been requested by the Albanian, Greek and Persian Governments. One of the Epidemic Commissioners has already presented a preliminary report on conditions in Albania, and the Health Committee has now authorised a further and more extended investigation in both Albania and Greece, to enable it to furnish the Albanian and Greek Governments with the technical advice for which they ask.

The Persian Government's request involves a sanitary survey of the country as a whole, a measure which on technical grounds appears most desirable. Health conditions in Persia are important to surrounding countries, such as Turkey, Mesopotamia, Russia and India, particularly so in view of the Moslem pilgrim routes from the Far East to Mecca.

*Quinine Supplies.* — A further aspect of the problem of malaria now taken up by the Health Committee is the question of quinine supplies. If investigations by the League Health Organisation appear to warrant such a course, a conference may be held of representatives of the Health departments of countries in which malaria is an important and urgent problem, to consider the possibility of increasing the supply of quinine.

*Cancer investigation.* — The Health Committee decided to continue the work of the Sub-Committee for investigating the differences in certain forms of cancer mortality revealed by the vital statistics for England and Wales, Holland and Italy.

*Opium.* — The Committee decided, on the basis of the report of its sub-Committee, that 450 milligrammes per head per year might be considered a provisional maximum amount of raw opium (containing on an average 10 per cent of morphine) for the medical and scientific needs of countries possessing a well developed medical service. This figure, given at the request of the League Opium Committee, was considered to be only a rough guide for estimating what fraction of the present world production of opium could be considered necessary for medical and scientific purposes.

*Standardisation of sera and biological products.* — The Committee noted that the system of checking the various national units of anti-diphtheria serum by the international unit, of which supplies are kept at the Copenhagen Institute, was working well, and that this Institute had already tested the American, British and German units and found them identical. In addition to the work already undertaken. It was decided to investigate anthrax and Malta fever sera.

During the year 1923 very active research was carried on into the sero-diagnosis of syphilis culminating in a conference at Copenhagen. This work was reviewed by the Committee and resolutions passed in connection with it.

The Committee noted that the work of standardising internationally the therapeutic value of biological products was being developed methodically.

*Co-operation with the International Labour Organisation.* — A mixed sub-Committee of the Consultative Commission of Industrial Hygiene of the International Labour Organisation and of the Health Committee will be formed to investigate the efficacy of the procedures of disinfection in regard to anthrax, which is a matter of great industrial importance. The proposal of the Dutch government relating to port sanitation, and the nomination of a panel of six technical advisers at the request of the Turkish government were adjourned till the next session, owing to the absence of sufficient information.

## 2. — ECONOMIC AND FINANCIAL ORGANISATION

### a) *The financial Reconstruction of Hungary.*

Important progress has been made in connection with the League's scheme for the financial reconstruction of Hungary. On February 21st the League was officially informed by the Reparation Commission that it had taken the two decisions required of it before the plan could be put into operation. The first of these decisions was the unanimous acceptance by the Commission of the League's proposal that, during the twenty years period of amortisation of the reconstruction loan to be raised for Hungary, her reparation and treaty charges should not exceed a yearly average of ten million gold crowns. There is to be no reparation payment during the two and a half years allotted for reconstruction, and the payments for

the subsequent part of the twenty years period have been fixed by the Reparation Commission and accepted by Hungary. They are as follows :

	Gold crowns.
December 31, 1927 . . . . .	5,000,000
December 31, 1928 . . . . .	5,000,000
December 31, 1929 . . . . .	6,000,000
December 31, 1930 . . . . .	7,000,000
December 31, 1931 . . . . .	8,000,000
December 31, 1932 . . . . .	9,000,000
December 31, 1933 . . . . .	10,000,000
December 31, 1934 . . . . .	11,000,000
December 31, 1935 . . . . .	12,000,000
December 31, 1936 . . . . .	13,000,000
December 31, 1937 . . . . .	13,000,000
December 31, 1938 . . . . .	13,000,000
December 31, 1939 . . . . .	13,000,000
December 31, 1940 . . . . .	13,000,000
December 31, 1941 . . . . .	13,000,000
December 31, 1942 . . . . .	14,000,000
December 31, 1943 . . . . .	14,000,000

The other decision of the Reparation Commission raises the reparation liens on certain Hungarian revenues so that these revenues may be assigned for the purposes of the loan.

In the week following these decisions by the Reparation Commission, the Delegation of the Council of the League left for Budapest to collaborate with the Hungarian Government in the preliminary measures required in order to put the scheme into force. This Delegation is composed of the following persons :

#### b) *The financial reconstruction of Austria.*

The latest information received from the Commissioner-General of the League at Vienna shews the following situation as regards financial and administrative questions :

*Reforms.* — The Minister of Finance has tabled in the Austrian Parliament a number of fiscal bills aiming at the reorganisation and simplification of Austrian financial legislation, and at the decrease of some of the charges on financial transactions in order to safeguard the interests of Vienna as a banking centre for the Danubian basin.

The Austrian tobacco monopoly, in agreement with the Minister of Finance, has raised the excise duties on cigars and pipe tobacco. Consequently, the receipts of this monopoly which, together with the customs, constitute the security pledged for the reconstruction loan, will probably increase in the near future.

*Reduction of Civil Service Staff.* — According to the latest available figures, those of February 23rd, the total number of civil servants dismissed since October 1st, 1922, is now 64,020, as against the 75,000 dismissals by December 31st, 1923, provided for by the League programme.

*The budget estimate for February.* — The budget estimate for the month of February was framed by the Minister of Finance in agreement with the League Commissioner-General as follows :

	Milliards of paper crowns	Millions of gold crowns.
Expenditure . . . . .	588.8	40.9
Receipts . . . . .	518.8	36.0
This leaves a deficit to be made up from the Reconstruction loan as follows . . .	70.0	4.9

*Receipts from the Securities.* — The gross receipts from the Austrian customs and tobacco monopoly during the month of January was 24.5 million gold crowns. This figure is the highest attained since the beginning of the Austrian reconstruction scheme. The monthly average of receipts from the two securities during 1923 was 15.8 millions of gold crowns. On the other hand the average monthly amount required for the service of the loan is only 6 millions of gold crowns.

*General situation* — The number of unemployed has increased considerably as compared with the figures given in the last number of the *Monthly Summary*, rising from 95,096 in the beginning of January 1924 to 119,309 in the beginning of February. During the same period of last year the number of unemployed drawing the State dole amounted to 161,227.

Savings bank deposits continue to increase. The total of deposits in the nine principal Viennese banks, and in the principal savings banks of Vienna and big provincial towns was 38 millions of gold crowns in December 1923, 41 millions in January 1924, and 49 millions in the beginning of February. In October 1922 the total sums deposited were 2.1 millions of gold crowns.

The cost of living index for February shows a slight increase, namely 2 per cent, as compared with last month. Because of the Viennese bank clerks' strike during February, the only figures available for the National Bank date from the 7th February. At this date the total note circulation was 462 millions of gold crowns. This note issue was covered up to 58.8 % by gold and securities, amounting to 272 millions of gold crowns. When adding the total of current accounts (734 milliards of paper crowns or 51 millions of gold crowns) to the notes in circulation, the total is 513 millions of gold crowns covered up to the extent of 53 %

M. A.-E. Janssen, President.

M. Avenol.

Commandatore Bianchini.

Dr. Vilam Pospisil.

Sir Arthur Salter.

Sr Henry Strakosch.

M. C.-E. ter Meulen.

M. Marcus Wallenberg.

The immediate tasks of the Hungarian Government are to draw up in agreement with the delegation a detailed programme of budget reform, to draft laws giving full powers for carrying out that programme, to draw up the statute for a bank of issue in accordance with the recommendations of the Financial Committee of the League, and, finally, to secure the Hungarian ratification of the protocols.

The formal signature of the Protocols by the States concerned and the appointment of the Commissioner-General will, it is expected, take place within a short time.

### c) *Meeting of the Economic Committee.*

The Economic Committee met in Geneva from February 26th to February 29th, when it considered a number of questions upon which the Council had asked for its advice, especially concerning several points arising out of the Convention for the Simplification of Customs Formalities. Article 22 of this Convention provides for the constitution of a technical organ to be appointed by the Council in order to give advisory opinions to parties agreeing to come before it on disputes as to the interpretation or application of the Convention. The Committee came to the conclusion that questions thus referred would be so varied in character that it would be inadvisable to have a rigid standing body. It therefore suggested that the Economic Committee itself, which is in close touch with the Council's policy on



the matter, should be taken as the technical organ provided for. Certain general principles and methods of procedure were also outlined, and if the Council approves, these can be subsequently worked out in greater detail. It is suggested for example that the Committee should, when cases of dispute are referred to it, attach to itself experts on the particular questions involved, and at the same time assure the parties in dispute complete equality of representation.

Another point arising out of the Convention was whether any further steps should be taken regarding the eighteen recommendations mentioned in Article 14 of the Convention. The Committee took the view that any further action would be premature. It would be advisable first of all to await ratification of the Convention itself and the reports which the States are to submit on progress made in adopting the Convention.

The study of the question as to whether any international action can be recommended regarding false declarations in customs matters was postponed to the next meeting on the request of Mr. Barboza Carneiro, of Brazil, who was unable to attend.

Several dispositions were taken regarding the international meeting of experts from 26 States which is to take place in Geneva on May 5 to consider and report on the draft convention on unfair competition drawn up by the Economic Committee for the protection of commerce against illegal practices such as false trade marks and false indications of origin. The Committee decided to invite the Berne Bureau of the Union for the Protection of Industrial Property, set up by the Paris Convention of 1883, to send a representative in a consultative capacity. The International Chamber of Commerce has already presented to the Committee its observations on the draft and it is to be left to the experts to invite the Chamber should they require additional explanations.

The protection of consumers against worthless goods is a question which the Fourth Assembly, on the proposal of M. Zumeta of Venezuela, referred to the Economic Committee to consider whether any international action was possible. The Committee, before expressing any definite opinion, has decided to request the South American States specially concerned in raising the matter to provide some concrete facts. A study is also to be made by the Committee on the preventive means adopted in various countries.

The Committee had previously adopted a series of recommendations concerning treatment in fiscal matters accorded to foreign nationals and enterprises already established, and these recommendations were forwarded by the Council to the Governments Members of the League. The Committee, on the proposal of Japan, at the Fourth Assembly, was asked to consider the matter further from the additional points of view of the admission of foreigners and of treatment not only in fiscal matters but in all matters within the economic sphere. The question has now been referred to the sub-committee on the Equitable Treatment of Commerce, and the Committee is to collect detailed information as to the existing practice in various countries.

The Committee had before it a communication from the Director of the International Labour Office on the question of the collaboration of the Committee on the enquiry being conducted by that Organisation into the unemployment crisis. The Committee has provided a memorandum on the work of the Economic and Financial Organisation of the League in so far as it contributes to the restoration of normal conditions, to be included for information purposes as an annex to the report to be presented by the International Labour Office to the international conference summoned for June. In order to establish a system of closer co-operation, suggestions were made for the establishment of a mixed committee of the Economic Committee and the representatives of the International Labour Office.

The Economic Committee considered the results submitted to it by the International Institute of Statistics on the co-ordination of methods in economic statistics, and suggested that the resolutions of the Institute should be circulated to the Member States to ascertain the extent to which these States were prepared to

endorse and apply them. It further suggested that the collaboration with the Institute on this subject should be continued.

*d) The Third Report of the Financial Adviser to the Albanian Government.*

The third report of the Financial Adviser to the Albanian Government, covering the period October 24th—January 24th, which was forwarded to the Secretariat during the month, deals mainly with problems before the Albanian Constituent Assembly now in session.

The Assembly, which is composed of 102 delegates, will have in the first place to decide upon a form of Government. In the second place, it will have to choose a permanent capital, the choice lying between Tirana and Scutari.

With regard to the financial situation, the Financial Adviser hopes that the Assembly will take the necessary steps to deal with the deficit, the expenditure in the various branches of the administration being largely in excess of the revenues. The Financial Adviser has proposed the following measures : 1) further reduction of ministerial staff, 2) increased taxation, with an income tax up to 20 %, and 3) the granting of petroleum concessions.

The report states further that the capital required for founding the bank of issue is being gradually obtained. Three countries have promised to participate to the extent of 55 %, and negotiations are being pursued with a view to securing the remainder.

## VI. — Administrative Questions.

### THE SAAR

*Increase of the Local Police Force.* — The Governing Commission proposes to increase the local police force by 200 men during the current year <sup>(1)</sup>. At its session in April, 1923, the Council had requested the Commission to submit a programme for the development of the local police force before adopting its budget for 1924-1925.

*Protest of the German Government regarding the passage of Saar Inhabitants through occupied German territories.* — The Governing Commission has informed the Secretary-General that the Inter-Allied High Commission for Rhineland, in response to steps taken by the Governing Commission, has agreed to grant transit permits or temporary residence permits in the cases mentioned in the protest of the German Government.

## VII. — The Protection of Minorities.

### THE ACQUISITION OF POLISH NATIONALITY

Negotiations between the German and Polish Governments for the settlement of the question of the acquisition of Polish nationality opened at Geneva on February 12th, under the direction of M. Souza Dantas, Brazilian representative on the Council <sup>(2)</sup>.

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(1) See *Monthly Summary*, Vol. IV, No. 1, p. 13.

(2) See *Monthly Summary*, Vol. III, No. 12, p. 307.

The Government delegations are composed as follows :

*Germany :*

M. Lewald, former Secretary of State.  
M. Zechlin, German Foreign Ministry.  
Professor Erich Kaufmann, University of Bonn.

*Poland.*

M. Kozminski, Chief of the Political Department of the Polish Foreign Ministry.  
M. Arciszewski, Secretary to the Polish Delegation to the League of Nations.  
M. Gwiazdowski, Secretary of Legation, Polish Foreign Ministry.  
M. Witold, Polish plenipotentiary at the Germano-Polish negotiations in Warsaw, is also taking part on the discussions.

### VIII. — Political Questions.

#### MEMEL

The Commission constituted by the Council for the purpose of proposing a settlement of the difficulties between France, Great Britain, Italy and Japan on the one hand, and Lithuania on the other, with regard to Memel, held its first session at Geneva on February 5th, left shortly after to visit the Memel territory, and returned to Geneva towards the end of the month to prepare its report for the Council. The Commission is composed of Mr. Norman Davis (President), former Under-Secretary of State of the United States, Mr. Kroller, member of the Dutch Economic Council, and Mr. Hoernell (1), Member of the Swedish Academy of Technical Science.

At a public session held at Geneva on February 5th, Mr. Norman Davis, in a brief statement on the work before the Commission, said :

"Obviously the task before us is not an easy one. But we have the advantage of much substantial work which has already been done, and time has been working for us. The state of affairs, which has resulted from failure to settle this question, has been growing more unbearable, and the advantages of settlement have become more apparent. Every week that passes shows the disadvantages and the dangers to all concerned of any further delay. And, above all, we cannot fail to notice a general relaxation of tension all over Europe. The areas of peace are gradually but constantly broadening. In one zone of dispute after another the spirit of controversy is giving place to the enlightened spirit of conciliation and mutual concession. We have every reason to hope that the parties interested in the Memel question prefer peace and prosperity to political dissension and economic disorder and that they will now be animated by a spirit of accommodation sufficient to bring that about.

"The serious conflicts between the view-points of the Conference of Ambassadors and the Lithuanian Government have arisen primarily over the method of giving practical application to the decision of February 16th, 1923. The two parties in interest have not been able to reach agreement, on the organisation of the Port of Memel and the regulation of traffic by sea and land. The Council of the League has recognised this by arranging that two members of this Commission should be chosen for their special knowledge of such technical problems.

"The Niemen river, and the Port of Memel, which is its outlet, are of international importance. No one of the nations, which occupies some section of such a waterway has any right or any advantage to block the legitimate economic development of the other nations along its course. And in these modern days no river or port is sufficient unto itself. To render its full service to mankind it must be part of a co-ordinated system of land transportation, of postal and telegraphic communications.

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(1) See *Monthly Summary*, Vol. IV, No. 1, p. 13

"It is my hope that we will be able to work out a project for the organisation of the freedom of transit on this important waterway, in accordance with the decision of the 16th of February which will be just, and enhance rather than injure the valid interests of all concerned, and so obviously tending to the rapid development of the wealth of the harbour, the river and the Hinterland, that it will be readily accepted and asquiesced in by all the parties in interest.

"In the past, for political reasons — largely because it was a frontier river — the Niemen has been neglected. Only by imagination, by faith in the future, can the people who live along the shores of this river realise its potentialities. We must strive to remove as far as may be, artificial impediments, which thwart the wealth-giving development of this water-way."

Replying to Mr. Norman Davis, M Sidzikauskas (Lithuania) made certain reservations regarding the hearing of representatives of the economic interests of other States in Memel and concerning the commercial importance of the Niemen as a navigable waterway. He assured the Commission that the sincere and confident cooperation of his Government would be forthcoming.

During its visit to Memel, the Commission heard the representatives of all the institutions and guilds of the town. On its return to Geneva, it immediately began work on a draft convention, while continuing to collect information on all economic factors of special interest in the case, and to hear representatives of the various interests affected. It will present to the Council a report on the results of its work.

## IX. — Social and Humanitarian Questions.

### 1. — THE OPIUM TRAFFIC <sup>(1)</sup>

The Preparatory Committee that is to draw up the programme of the General Conference to be held in November on the limitation of the manufacture of narcotics <sup>(2)</sup> was definitely constituted during February. The Opium Advisory Committee selected by ballot M Bourgois, Sir Malcolm Delevingne and Mr. van Wettum as its three nominees, and the Government of the United States notified the appointment of Mr. Edwin Neville, of the Department of State.

This Committee, which further consists of the two European Assessors on the Advisory Committee, Sir John Jordan and M. Bremier, will meet on March 6th, at Geneva, when it will consider all suggestions put forward by the various Governments on the most practical method of reaching an agreement on the limitation of the production and manufacture of morphia, heroin, cocaine, etc., to medical and scientific needs.

### 2. — THE TRAFFIC IN WOMEN AND CHILDREN

The Body of Experts which is to conduct the enquiry into the conditions under which the traffic in women and children is carried on <sup>(3)</sup> has now been constituted and will meet in Geneva on April 1st to draw up the programme of its work. Colonel William Snow, Director of the American Bureau of Social Hygiene, is to

(1) See also the article on the meeting of the Health Committee

(2) See *Monthly Summary*, Vol. III, No. 12, p. 310.

(3) See *Monthly Summary*, Vol. III, No. 10, p. 260.

be the Chairman of this Committee, which will further consist of the following members :

Princess Christina Giustiniani Bandini . . . . .	(Italian)
Mr. S. W. Harris. . . . .	(British)
M. Hennequin . . . . .	(French)
Dr. Paulina Luisi. . . . .	(Uruguayan)
M. Isidore Maus. . . . .	(Belgian)
M. Alfred de Meuron . . . . .	(Swiss)

It is probable that a Japanese member will be added to the Committee, but the definite appointment has not yet been made.

## X. — Forthcoming Events.

In session on	
March 15th .	Twenty-eighth Session of the Council of the League, Geneva.
March 15th .	Sixth session of the Advisory and Technical Committee for Communications and Transit, Geneva.
March 24th	Third session of the Committee of Government Experts on Double Taxation and Fiscal Evasion, Geneva.
March 24th .	First Sub-Committee of the Temporary Mixed Commission for the Reduction of Armaments, Paris.
March 26th :	Meeting of the Supervisory Commission, Paris.
April 1st :	Meeting of the Special Body of Experts on Traffic in Women and Children, Geneva.
April 7th :	Third session of the Advisory Committee on Traffic in Women and Children, Geneva.
April 8th :	Twenty-second session of the Governing Body of the International Labour Office, Geneva.
April 28th (about) :	Meetings of Sub-Committees of the Committee on Intellectual Co-operation, Brussels.
May 5th :	Meeting of Experts on Unfair Competition, Geneva.
May 7th :	Meeting of the Supervisory Commission, Geneva.
May (date not fixed) :	Twelfth session of the Economic Committee, Geneva.

## XI. — Organisations and Commissions of the League of Nations (¹).

### *Advisory and Technical Committee for Communications and Transit.*

(Constituted at the request of the First Assembly by the General Conference on Communications and Transit convened by the League at Barcelona in March 1921. The Committee consists of one member nominated by each of the States Members permanently represented on the Council and of other members nominated by States Members not so represented, chosen by the General Conference, the selection having regard, as far as possible, to technical interest and geographical representation. The members hold office for two years.)

- Dr. Aristides de Agüero y Bethancourt, Envoy Extraordinary and Minister Plenipotentiary. (Appointed by the Government of Cuba.)  
 M. Francisco Amunátegui, Secretary-General of the Mixed Courts of Arbitration. (Appointed by the Government of Chile.)

(¹) See *Appendix Summary*, Vol. IV, No. 1, p. 15.

- Mr. J.-G. Baldwin, Representative of Great Britain on the International River Commissions. (Appointed by the Government of the British Empire)
- M. Guillermo Brockmann, Inspector-General of Bridges and Roads. (Appointed by the Government of Spain.)
- M. Gaëtan Dobkevicius, Councillor of Legation. (Appointed by the Government of Lithuania.)
- M. Silvain Dreyfus, Inspector-General of Roads and Bridges. (Appointed by the Government of France.)
- M. J. Gustavo Guerrero, Envoy Extraordinary, Minister Plenipotentiary. (Appointed by the Government of Salvador.)
- M. Athanase Politis, Technical Delegate of the Greek Government at Paris. (Appointed by the Government of Greece.)
- M. G. Popesco, Director-General of the National Society for Industrial Credit, Bucarest. (Appointed by the Government of Roumania.)
- Comm. Girolamo Sinigalia. (Appointed by the Government of Italy.)
- M. Gabriel Smith, Director-General of Ports. (Appointed by the Government of Norway.)
- Dr. A. Stievenard, Inspector of Belgian Railways. (Appointed by the Government of Belgium.)
- M. Yotaro Sugimura, Councillor of Embassy. (Appointed by the Government of Japan.)
- M. Bohdan Winiarski, Professor at the University of Posen (Appointed by the Government of Poland.)
- The names of the Members appointed by the Government of Austria, China, Colombia and Venezuela will be published later.

### *Health Organisation.*

#### *a) Advisory Council.*

(The Committee of the Office International d'Hygiène Publique acts as the Advisory Council of the League Health Organisation)

#### *b) Health Committee.*

(Composed of sixteen members, namely, the Chairman of the Advisory Council, nine members chosen by the Advisory Council, and six members appointed by the Council of the League after consultation with the Health Committee. Four assessors may be appointed by the Council. The appointments extend over a period of three years.)

#### *Members :*

Professeur Léon Bernard . . . . .	(France)
Sir George Buchanan, C.B., M.D. . . . .	(Great Britain)
Doctor H. Carrière . . . . .	(Switzerland)
Doctor Carlos Chagas . . . . .	(Brazil)
Surgeon-General H. S. Cumming . . . . .	(United States)
Doctor A. Granville Pasha . . . . .	(Egypt)
Doctor Jitta . . . . .	(Holland)
Professor Ricardo Jorge . . . . .	(Portugal)
M. Shiko Kusama (provisional). . . . .	(Japan)
Doctor Lutrano . . . . .	(Italy)
Professor Madsen . . . . .	(Denmark)
Doctor Mimbela . . . . .	(Peru)
Professor Ottolenghi . . . . .	(Italy)
Professor G. Pittaluga . . . . .	(Spain)
Doctor L. Raynaud . . . . .	(France)
Doctor Velghe . . . . .	(Belgium)
Doctor Chodzko . . . . .	(Poland)
Doctor Alice Hamilton . . . . .	(United States)
Professor Nocht . . . . .	(Germany)

## I. — Summary of the Month.

The most important activity of the League of Nations during March was the twenty-eighth session of the Council which took place at Geneva from the 10th to the 15th.

At this session two political disputes were settled, when a draft convention on the attribution of the Memel territory was accepted by the parties directly concerned, and the Polish-Czechoslovak frontier in the Jaworzina district finally agreed upon. The Hungarian reconstruction plan was put into definite operation with the final signatures of the protocols, and certain questions of principle in connection with the Austrian reconstruction plan were carefully examined. The replies of the Commission of Jurists to questions raised last September with regard to the interpretation of the Covenant and other points of international law were unanimously approved by the Council with declarations by the various members thereof. Decisions were also reached on questions regarding German minorities in Poland, the Saar Valley and the Free City of Danzig, while substantial progress was made in the social and humanitarian work of the League.

The Council was composed as follows :

M. Guani (President) . . . . .	(Uruguay)
M. Melot . . . . .	(Belgium)
M. Souza Dantas. . . . .	(Brazil)
M. Hanotaux . . . . .	(France)
Lord Parmoor . . . . .	(Great Britain)
M. Salandra . . . . .	(Italy)
Viscount Ishii . . . . .	(Japan)
M. Quinones des Leon . . . . .	(Spain)
M. Branting . . . . .	(Sweden)
M. Benes. . . . .	(Czechoslovakia)

In addition, representatives of nine other States were present to participate in debates on questions concerning their interests, namely, Albania, Austria, Greece, Hungary, Lithuania, Poland, Roumania, Kingdom of the Serbs, Croats and Slovenes and the Free City of Danzig. Finally M. Rault (France) Chairman, and Mr. G. W. Stephens (Canadian), member of the Saar Governing Commission; the High Commissioner of the League at Danzig, Mr. MacDonnell (British), the Commissioner-General of the League at Vienna, Dr. Zimmermann (Dutch), the Chairman of the Greek Refugees Settlement Commission, Mr. Morgenthau, former ambassador of the United States; and the Chairman of the Memel Commission, Mr. Norman Davis, former Under-Secretary of State of the United States, also took part in the discussions.

The President of the Council, at the opening meeting, paid a tribute of deep respect to the memory of President Wilson, who, he said, had been able not only to foresee the future development of international life, but also to place in the hands of the nations the essential instrument for the realisation of their hopes.

The President welcomed Lord Parmoor and M. Benes, who took part for the first time in the work of the Council. Lord Parmoor, in reply stated that the League had behind it the whole authority of the present British Government, supported by a large majority of public opinion. He also emphasised the necessity of universality for the League, saying that it was only by universality that impartiality and the support of a civilised humanity in all portions of the world could be assured.

M. Benes in his turn said that, for the last four years, the whole policy of Czechoslovakia had been inspired by the ideals of the League of Nations and that his country would continue to pursue these ideals.

In addition to the Council, the following commissions met during the month :  
 • The newly-constituted Advisory and Technical Committee on Communications and Transit, which drew up its programme of work; a sub-commission of the Temporary Mixed Commission for the Reduction of Armaments to continue to work on a draft convention for the control of the traffic in arms and on the private manufacture of arms and munitions; a special committee to prepare for an international conference on manufactured narcotics in November next; the Committee of Government Experts on Double Taxation and Fiscal Evasion and the Committee on Allocation of Expenses.

## II. — Reduction of Armaments.

### 1. — RESOLUTIONS OF THE COUNCIL

#### a) *Work of the Temporary Mixed Commission.*

On March 11th, the Council dealt with certain questions arising out of the ninth session of the Temporary Mixed Commission for the Reduction of Armaments.

After noting that the United States had participated at this session for the first time in connection with the arms traffic, the Council, on recommendation of the Commission, requested the Secretariat to collect and publish before the next Assembly all information obtainable from official and public documents with regard to the import and export of arms and munitions from all States. It further requested the Permanent Advisory Commission to draw up in accordance with present requirements, a list of arms and munitions of war as compared with other kinds of arms and munitions.

The Council requested its President to approach all States which had not yet communicated their views on the subject of the Treaty of Mutual Assistance, asking them to do so, in order that their observations might be submitted to the next Assembly.

#### b) *Work of the Naval Sub-Commission of the Permanent Advisory Commission.*

The Council further took note of the work of the Naval Sub-Commission of the Permanent Advisory Commission, which met in Rome in February (1), as well as of the desire expressed by Roumania and Portugal to participate at a subsequent meeting.

Considering that the preparatory work in connection with a draft convention on the limitation of naval armaments is of great importance for all States, the Council—while deferring to its next session a detailed examination of the report of the Naval Sub-Commission and the questions raised by the Roumanian and Portuguese Governments—approved the preliminary action proposed by the Sub-Commission. It therefore decided to forward to all States, Members or non-Members of the League, copies of the report of the Naval Sub-Commission, requesting them to communicate, if possible before the June Council session, any observations or suggestions they may consider desirable, in order to enable the Council to take a decision as to a second technical meeting and to fix the final date of the international conference.

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(1) See *Monthly Summary*, Vol. IV, No. 2, p. 33



## 2. — MEETING OF THE FIRST SUB-COMMISSION OF THE TEMPORARY MIXED COMMISSION FOR THE REDUCTION OF ARMAMENTS

*Traffic in Arms and the Private Manufacture of Arms and Munitions.* — A draft convention on the international traffic in arms and munitions, designed to replace that of St. Germain, was drawn up at a session of the first Sub-Commission of the Temporary Mixed Commission for the Reduction of Armaments, held in Paris from March 24th to 28th. At that session the following members were present :

M. Lebrun (Chairman) . . . . .	(France)
M. Fabry . . . . .	(France)
Viscount Cecil . . . . .	(Great Britain)
Major Hills . . . . .	(Great Britain)
Colonel Lowe . . . . .	(Great Britain)
(substitute for Admiral Aubrey Smith)	
Colonel Carnegie . . . . .	(Canada)
M. Jancovici . . . . .	(Roumania)
M. Jouhaux . . . . .	(France)
M. Cobian . . . . .	(Spain)
(substitute for Admiral de Magaz)	
Colonel Lohnner . . . . .	(Switzerland)
M. Hodac . . . . .	(Czechoslovakia)
M. Dupriez . . . . .	(Belgium)
(substitute for M. Janssen).	
M. Urrutia . . . . .	(Colombia)
M. Hirosawa . . . . .	(Japan)
M. de Viti de Marco . . . . .	(Italy)
General de Marinis . . . . .	(Italy)

Mr. Grew, United States Minister at Berne, representing his Government, and Prince Arfa-ed-Dowleh, representing the Persian Government, took part in the work of the Sub-Commission in response to special invitations.

The Sub-Commission adopted as a basis of discussion the draft Convention and memorandum prepared by its rapporteurs, Professor Dupriez, of Louvain University, and Major Hills, from the text of the St. Germain Convention and two drafts deposited by Admiral de Magaz and M. Jouhaux. This draft was intended to meet the objections which the United States considered had prevented it from ratifying the St. Germain Convention.

The Sub-Commission unanimously approved a new text based on this draft. It will be referred to the Permanent Advisory Commission for a technical examination and laid before the Temporary Mixed Commission for the Reduction of Armaments at its plenary session at Geneva in June.

Certain political points will be examined by the Council of the League, which has been charged by the Assembly to consider the question of calling an international conference on this subject and that of the private manufacture of arms.

As regards the latter question, the draft submitted by Colonel Carnegie was referred to an expert sub-commission to meet at the end of April. This body, composed of Colonel Carnegie, M. Hodac, M. Jouhaux, General de Marinis and Colonel Réquin, will present a report to the Temporary Mixed Commission at its forthcoming session.

### III. — General Questions.

#### 1. — INTERPRETATION OF THE COVENANT

##### *Replies of the Special Commission of Jurists.*

The Council, on March 13th, unanimously approved the replies of the Special Commission of Jurists to the questions raised by the Council in September 1924 in connection with the Italo-Greek conflict <sup>(1)</sup>. The replies were as follows :

I. The Council, when seized at the instance of a Member of the League of Nations of a dispute submitted, in accordance with the terms of Article 15 of the Covenant, by such a Member as "likely to lead to a rupture", is not bound, either at the request of the other party or on its own authority, and before enquiring into any point, to decide whether in fact such description is well-founded.

The Council may at all times estimate the gravity of the dispute and determine the course of its action accordingly.

II. Where, contrary to the terms of Article 15, paragraph 1, a dispute is submitted to the Council on the application of one of the parties, where such a dispute already forms the subject of arbitration or of judicial proceedings, the Council must refuse to consider the application.

If the matter in dispute, by an agreement between the parties, has already been submitted to other jurisdiction before which it is being regularly proceeded with, or is being dealt with in the said manner in another channel, it is in conformity with the general principles of law that it should be possible for a reference back to such jurisdiction to be asked for and ordered.

III. Where a dispute likely to lead to a rupture is submitted to the Council, on the application of one of the parties, in accordance with the provisions of Article 15, paragraph 1, the case contemplated in paragraph 8 of Article 15 is the only case in which the Council is not to enquire into the dispute.

In particular the reservations commonly inserted in most arbitration treaties cannot be pleaded as a bar to the proceedings.

The Commission considers it desirable to observe that, where the case arises, the Council should, in determining the course of its action, have regard to international engagements such as treaties of arbitration or regional understandings for securing the maintenance of peace.

IV. Coercive measures which are not intended to constitute acts of war, may or may not be consistent with the provisions of Articles 12 to 15 of the Covenant, and it is for the Council, when the dispute has been submitted to it, to decide immediately, having due regard to all the circumstances of the case and to the nature of the measures adopted, whether it should recommend the maintenance or the withdrawal of such measures.

V. The responsibility of a State is only involved by the commission in its territory of a political crime against the person of foreigners, if the State has neglected to take all reasonable measure for the prevention of the crime and the pursuit, arrest and bringing to justice of the criminal.

The recognised public character of a foreigner and the circumstances in which he is present in its territory entail upon the State a corresponding duty of special vigilance on his behalf.

During the examination of the report of the Commission statements were made by the Members of the Council, explaining their points of view.

M. Hanotaux, on behalf of the French Government approved the replies as a whole, and the terms in which they were expressed. M. Quinones de Leon made a similar declaration on behalf of the Spanish Government.

Lord Parmoor, on behalf of the British Government, declared that he approved the answers of the Commission without reservations of any kind.

(1) See *Monthly Summary*, Vol. III, No. 9, p. 212.

On behalf of the Belgian Government, M. Melot stated that he appreciated highly the excellent work done by the Commission of Jurists and accordingly supported, wholly and unreservedly, the report before the Council.

Viscount Ishii, on behalf of the Japanese Government, declared that he approved and accepted, as a whole and unconditionally, the replies of the Commission, adding that, in his opinion, in the present conditions of international law, no more perfect or satisfactory reply could be anticipated.

On behalf of the Czechoslovak Government, M. Benes stated that in view of the subtlety of the legal formulae contained in the Report, the diversity of cases which might be brought before the Council, and the doubt as to the precise legal meaning of the word "approves", he would have preferred that the Council "take note" of the Report. In that case, however, he would have added the firm conviction that the Report formed a solid basis for the solution of questions with which the Council might be called upon to deal.

M. Salandra stated that the Italian Government approved the Report. It hoped that its approval would be regarded as a proof of its loyal adhesion to the essential principles of the Covenant, and of its desire that the League should continue to develop its useful work for the maintenance of peace and of the best possible relations between civilised nations.

M. Souza Dantas (Brazil) reminded the Council that the traditional policy of his Government was in favour of arbitration. He emphasised that Brazil would invariably resort either to arbitration, to peaceful procedure as laid down in the treaties she had signed, or to one of the procedures laid down in the Covenant of the League, to which Brazil was a party and the obligations of which Brazil intended faithfully to execute.

M. Branting (Sweden) while approving the report said that, with regard to the reply to the fourth question, the Commission of Jurists had not specified the cases in which coercive measures were legitimate or not. He added that the Swedish Government would have wished this question to be referred to the Permanent Court of International Justice, and declared that his Government continued to be of the opinion that the use of armed forces was not compatible with the Covenant in the circumstances specified in the fourth question.

M. Guani (Uruguay) said that his Government would have preferred a clearer reply to the fourth question, defining, for example, more precisely measures to be considered as "measures of coercion not intended to constitute acts of war". He further pointed out that, in conflicts of this nature in the history of the American nations, the point of view adopted—even before the signature of the Covenant—clearly tended towards the exclusion of reprisals and towards settlement by arbitration of all international disputes.

On the proposal of M. Guani, the Council expressed its thanks to the members of the Commission of Jurists. It approved as a whole the replies of the Commission to the questions submitted to it, and decided to communicate them to all Members of the League.

## 2. — INTERNATIONAL AGREEMENTS

### *Registration of Treaties.*

On March 15th last, M. Hanotaux, the Representative of France on the Council, and Mr. Benes, Foreign Minister and Representative of Czechoslovakia on the Council, presented, in the name of their respective Governments, the Treaty of Alliance and Friendship concluded between the two countries at Paris on January 25th, 1924, for purposes of registration and publication in conformity with Article 18 of the Covenant of the League and Article 5 of the Treaty.

In the Treaty, which contains eight articles, the two Contracting Parties, declaring themselves firmly devoted to the principle of respect for international engagements solemnly confirmed by the Covenant of the League of Nations, and anxious to safeguard peace, of which the maintenance is necessary for the political stability and the economic recovery of Europe, undertake to defend the order established by the Peace Treaties; to concert together upon the steps to be taken in case of menace to the principles laid down in the Treaty of St. Germain, the Geneva Protocols on the Reconstruction of Austria, and the declarations of the Conference of Ambassadors and the Hungarian Government with regard to the Hapsburg dynasty; and to adopt a joint attitude in regard to eventual attempts to restore the Hohenzollern dynasty in Germany.

Should a controversy arise which cannot be settled by friendly agreement of through diplomatic channels, the Contracting Parties, in conformity with the principles of the Covenant of the League, agree to submit the dispute either to the Permanent Court of International Justice or to arbitration. They also undertake to communicate to each other agreements already concluded affecting their policy in Central Europe, and to consult each other before concluding new agreements. In this respect they declare that nothing in the Franco-Polish Treaty of Alliance and in other treaties of alliance concluded by the States forming the Little Entente is contrary to the present treaty.

Among other treaties and international engagements presented to the Secretariat for registration during the month of March, there may be quoted :

A treaty of defensive alliance, concluded in November, 1923, between Esthonia and Latvia;

An agreement renewing the Arbitration Convention concluded in 1908 between the United Kingdom and the United States of America;

An exchange of notes between Lithuania and Sweden, settling the commercial relations between these two countries;

An exchange of notes between Denmark and Esthonia containing a provisional arrangement on commerce and navigation between Iceland and Esthonia;

An exchange of notes between Denmark and Czechoslovakia containing a provisional agreement on the same question;

An additional declaration to the provisional arrangement between Great Britain and Sweden on aerial navigation between the two countries.

### 3. — THE COMMITTEE ON ALLOCATION OF EXPENSES

The Committee on Allocation of Expenses, which was set up in virtue of a decision of the First Assembly, met at Geneva on March 3rd, when it continued its researches with a view to preparing a definitive scale for the allocation of the expenses of the League. The members present were :

M. Reveillaud (Chairman).	(France)
Mr. Dudley Ward	(South Africa)
(substitute for Sir Henry Strakosch)	
Mr. Phillips	(Great Britain)
M. Sayegusa	(Japan)
(substitute for M. Matsuyama)	
M. Jancovici	(Roumania)
M. Oldenburg	(Denmark)
(substitute for M. Zahle)	

#### 4. — THE REPRESENTATION OF BRAZIL AT GENEVA

Mr. Pacheco, Minister of Foreign Affairs of Brazil notified, the Secretary-General by telegram on March 14th, that the President of Brazil had issued a decree providing for the permanent representation of Brazil at the seat of the League. This representation is to consist of a Representative of the rank of Ambassador, an assistant Minister, a First and Second Secretary of Legation and technical assistants. The telegram added that the President of Brazil "desired by this action to give further proof of Brazil's feelings of devotion and respect for the League of Nations".

The Secretary-General, in acknowledging the receipt of this telegram, stated that he would communicate the information to all the Members of the League.

### IV. — Technical Organisations.

#### 1. — THE HEALTH ORGANISATION

##### *Report of the Health Committee.*

The report on the first session of the Health Committee (1), together with the recommendations contained therein was approved by the Council on March 11th.

Amongst the recommendations may be specially mentioned that for setting up an Epidemiological Intelligence Office in some port in the Far East, to be selected after consultation with the Governments concerned, and that for communicating to all Far Eastern countries for their consideration the draft for a Sanitary Convention contained in the Report of the Commission of Enquiry to the Far East.

The Council confirmed the appointment of three additional members of the Health Committee, namely, Professor B. Nocht, Director of the Hamburg Institute of Tropical Medicine; Dr. Chodzko, former Minister of Health in Poland; and Dr. Alice Hamilton, Assistant Professor of Industrial Hygiene at the Medical School of Harvard University.

The Council also noted the fact that the Committee had decided to authorise the presence of representatives of the League of Red Cross Societies and of the International Committee of the Red Cross at meetings when questions touching those organisations were under discussion. Similarly, it noted the enquiries to be undertaken by the Committee in Albania, Greece, Persia and the Kirghiz Republic, the progress made in technical questions, such as the study of malaria and cancer, the standardisation of sera and interchanges of Public Health personnel.

#### 2. — THE ECONOMIC AND FINANCIAL ORGANISATION

##### *a) The Financial Reconstruction of Hungary.*

The Hungarian Protocol<sup>1</sup> have been signed by all the Governments concerned, the necessary decisions have been taken by the Reparation Commission, the delegation of the League of Nations has begun its work at Budapest, and the League's scheme for the financial reconstruction of Hungary is thus formally and actively in operation.

(1) See *League of Nations*, Vol. IV, No. 2, p. 37.

These facts were reported on March 14th to the Council, which thanked the Hungarian Committee of the Council for the work it had accomplished and expressed its high appreciation of the important contribution made by the members of the Financial Committee of the League. It noted that the decisions of the Reparation Commission were in conformity with the League's scheme and expressed the confident hope that the work of reconstruction would now develop under the most favourable conditions and in the same spirit of international co-operation which had characterised the preliminary investigations.

The President of the Council said they could congratulate themselves on the results obtained and thanked the representatives of the interested Powers for the good-will which they had shown. The Hungarian representative, M. Koranyi, said it was with every confidence and with the strongest hopes that the Hungarian Government declared itself ready to collaborate with the League in order to complete a task which promised such happy results. To accomplish that undertaking for the promotion of peace would constitute one more success of the League, to which the Hungarian Government offered its sincere thanks.

Of the two Protocols to which the necessary signatures have now been affixed, the first is political. It is signed by seven Powers, Great Britain, France, Italy, Roumania, the Serb-Croat-Slovene Kingdom, Czechoslovakia, and Hungary, and is open to signature by any other State which desires to adhere. The Governments of the first six States declare that they will respect the political independence, territorial integrity, and sovereignty of Hungary, and that they will not seek any special economic or financial advantages that might compromise that independence.

The Hungarian Government, on the other hand, undertakes to fulfil the obligations contained in the Treaty of Trianon, in particular the military clauses, as well as its other international engagements. It is to be understood that Hungary maintains her freedom in the matter of customs tariffs and commercial or financial agreements, provided she does not grant to any State a special regime calculated to threaten this independence.

All the Powers declare that they will abstain from all acts which might be contrary to the economic and financial reconstruction of Hungary or might prejudice the interests of the creditors.

In the second Protocol, which is signed only by the Hungarian Government, the Government undertakes to draw up, in collaboration with the Delegation of the Council, a programme of reform and reconstruction which will ensure budget equilibrium on a sound and durable basis by June 30th, 1926, and to ask Parliament to give it the full powers necessary to carry out that programme. The Hungarian Government will issue a loan of 250 million gold crowns to cover its deficits during the reconstruction period until the budget is balanced.

As security for the loan a first charge will be made upon the gross revenues from the customs, the sugar tax, the tobacco monopoly, and the net revenue from the salt monopoly.

Hungary accepts the appointment of a Commissioner-General to be appointed by the Council of the League, and reside at Budapest. It will be his duty to supervise the execution of the reform programme. The yield of the loan and of the mortgaged revenues will be paid into special accounts controlled by the Commissioner-General, and his functions will come to an end when the Council shall have ascertained that the financial stability of Hungary is assured.

A Central Bank of Issue will be created in collaboration with the Delegation of the Council. The statutes of the Bank will ensure its complete autonomy towards the Hungarian Government. The Commissioner-General will nominate an adviser to the Bank, to be appointed by the Hungarian Government.

To the second Protocol is annexed a report of the Financial Committee in which the above stipulations are elaborated in more detail.

b) *The Financial Reconstruction of Austria.*

At its twenty-eighth session, the Council discussed certain points in connection with the financial reconstruction of Austria. M. Grünberger, Minister for Foreign Affairs, represented Austria. The Commissioner-General of the League at Vienna, Dr. Zimmermann, also took part in the discussion.

The Council took note, in the first place, of the three most recent reports of the Commissioner-General and requested the Commissioner, the Committee of Control and the Financial Committee to examine certain proposals made by the Austrian Government to modify, by mutual agreement, the expenditure figures laid down in the League financial programme and to utilise the surplus yield of the international loan for the resumption of public works, in so far as that balance had not to be used for the consolidation of the budget.

The Council also noted with satisfaction a considerable reduction of the Austrian monthly budgetary deficit. The provisional estimates shewed that in less than a year after the introduction of the reform programme the expenditure was balanced by the revenues. As this result, according to the Commissioner-General's reports, had been obtained owing to an increase in the yield of taxes, rather than a decrease in expenditure, the Council took note of the opinion of the Commissioner-General with regard to the non-permanency of the present receipts figure, and emphasised that a programme of concrete reforms had been established and still remained in force. It therefore expressed its hope that the administrative reforms and the reduction in the State's liabilities would continue so as to decrease expenditure in conformity with the general tendency of the League programme, which is to ensure budgetary equilibrium on the basis of permanent stabilisation.

To conclude, the Council pointed out that the original programme worked out by the Provisional Delegation and adopted by the Austrian Government constituted a solemn undertaking, the execution of which remained obligatory unless modified with the consent of all the Contracting Parties, and that the control could only be withdrawn when permanent budgetary equilibrium had been re-established. It further stated that the yield of the loan could only be utilised under the control, with the authorisation of, and for purposes approved of by, the Commissioner-General.

c) *Fourth Report of the Financial Adviser to Albania.*

The Fourth Report of M. Hunger, the Financial Adviser to the Albanian Government, was laid before the Council at the request of the British representative, in the presence of M. Blinishti, the representative of Albania.

The report stated that on March 1st the Financial Adviser had received a letter from the Acting Prime Minister denouncing his contract. There were several financial and economic questions of the utmost importance to be settled in the immediate future. The Council was informed that various clauses in the Financial Adviser's contract had not been complied with. Steps had been taken and expenditure incurred without the previous consultation with the Financial Adviser provided for by the contract.

The Albanian representative, who raised the question as to whether the Financial Adviser had a right to appeal to the Council on the subject of the cancellation of his contract, said that, as he had not had time to receive official instructions, he could only promise to inform his Government.

The Council resolution expressed concern at the contents of the report, and stated that, in view of the fact that it had only reached it on the last day of the session, it was unable to express any opinion on the matter. It therefore requested the Albanian representative, in collaboration with the Secretary-General, to secure and present to the Council such further information as might be able available.

d) *Report of the Economic Committee (1).*

The report of the Economic Committee on its recent session came before the Council on March 11th.

One of the principal questions raised in the report was the constitution under Article 22 of the Convention on Customs Formalities of a technical organisation to advise on points arising out of the interpretation and application of the Convention. The Council, in accordance with the suggestion of the Economic Committee, entrusted to that body the duties assigned to the organisation in question. It moreover authorised the Committee, if necessary, to call upon the services of experts and requested it to submit proposals as to the procedure to be followed when appealing to the technical organisation.

The Council invited the Director of the International Bureau for the Protection of Industrial Property at Berne to take part in an advisory capacity in the work of the experts meeting at Geneva on May 5th to discuss a draft convention on unfair competition.

3. — COMMUNICATIONS AND TRANSIT

a) *Meeting of the Advisory Committee.*

The new Committee for Communications and Transit, which was elected by the Second General Conference (2), met at Geneva from March 12th to 14th to discuss questions concerning its organisation and complete its programme of work. This Committee is at present composed of experts nominated by the following countries : Austria, Belgium, British Empire, Chile, China, Colombia, Cuba, France, Greece, Italy, Japan, Lithuania, Norway, Poland, Roumania, Salvador, Spain and Venezuela.

The first business was the election of officers. Mr. Baldwin (British Empire) was chosen President, Mr. Aguerro y Bethancourt (Cuba), and Mr. Winiarski (Poland) Vice-Presidents.

After examining the recommendations made by the President, the Committee drew up its programme, which it divided among seven sub-committees. These sub-committees will deal respectively with railway questions; internal navigation; maritime ports and navigation; electric questions; road traffic; legal questions and budgetary matters.

Two special committees were also appointed, one for the study of questions concerning wireless telegraphy and the other for the reform of the calendar.

b) *The Second General Conference on Communications and Transit.*

The Council, on March 11th, noted with satisfaction the work done by the Second General Conference on Communications and Transit. It expressed the hope that the conventions concluded at this Conference would be signed by the greatest possible number of States and that ratification would take place promptly.

c) *Appointment of the Chairman of the Permanent Technical Hydraulic System Commission of the Danube.*

The Council, whose duty it is under Article 293 of the Treaty of Trianon to nominate the Chairman of the Permanent Technical Hydraulic System Commission of the Danube, appointed M. Charles Rossetti (Italian) as successor to M. Chargueraud (France), deceased.

(1) See *Monthly Summary*, Vol. IV, No. 2, p. 39.

(2) See *Monthly Summary*, Vol. III, No. 12, p. 297.



#### 4. — INTELLECTUAL CO-OPERATION

##### a) *Exchange of Publications.*

On March 11th the Council decided on the recommendation of the Committee on Intellectual Co-operation to invite a Committee of Experts to consider under what conditions the Conventions of 1886 on the international exchange of publications might be revised.

This Committee is to examine the best means of ensuring the complete application of the Brussels Conventions on the exchange of publications and of improving the working of the national exchange offices. Owing to the objection made by certain countries that a central exchange department would prove too expensive, the Committee will also consider the feasibility of some other system which would cost less, but would still achieve the purpose aimed at in the 1886 Conventions. Finally, it has to discuss the extension of the system of international exchange to non-official scientific and literary publications. Suggestions to this effect have already been made by several national exchange departments and national committees for intellectual co-operation.

The Committee will consist of seven members : Belgian, British, French, Italian and Polish, the other two being drawn from the United States and a Latin American State respectively. It will meet before the next Assembly with Professor Bergson as chairman.

##### b) *Appointment to the Committee on Intellectual Co-operation.*

The Council appointed Sir J. Chandra Bose to succeed to Professor Bannerjee on the Committee on Intellectual Co-operation.

#### V. — Administrative Questions.

##### 1. — DANZIG

*Dépôt for Polish War-Material in Transit.* — On March 11th, the Council decided that the peninsula of Westerplatte should be placed at the disposal of Poland for the unloading, storage and despatch to Poland of war-material and explosives in transit through Danzig. The resolution adopted by the Council, which provides for the construction of a dépôt on this site and for the arrangements to be made until the construction has been completed supersedes the High-Commissioner's decision of April 7th, 1922. The question was the subject of an enquiry made at Danzig by a Special Committee of Experts (1), whose report served as the basis for the Council's decision.

*Protection of the Interests in Poland of Danzig Citizens and Organisations.* — The Council has referred to a small Committee of Jurists the question whether the League of Nations is competent or not in a certain number of special cases submitted to the Council. This Committee, composed of the legal advisers of the representatives on the Council of Spain and Sweden, will present its report to the Rapporteur, M. Quinones de León, on May 15th, at the latest.

*Harbour Board Flag.* — The Council of the League took note of the withdrawal by Danzig of its appeal against the High Commissioners' decision concerning the question of the Harbour Board Flag.

(1) See *Monthly Summary*, Vol. III, No. 12, p. 305 and Vol. IV, No. 1, p. 10.

## 2. — THE SAAR

### a) *Appointment of the Governing Commission.*

Several questions relating to the Saar Basin came before the Council at its twenty-eighth session. The appointments for the Governing Commission were dealt with on March 15th, when M. Lambert (Belgian) M. Rault (French) and Mr. Stephens (Canadian) were asked to continue in office for a year (April 1st, 1924 to March 31st, 1925). The two other members, Herr Land (Saar Basin) and Count de Moltke-Huitfeldt (Danish) had requested the Council not to reappoint them, and as a result several candidates had been put forward for the vacant positions. Herr Kossmann, former member of the German Reichstag and President of the Saar Advisory Council, was chosen as Saar Basin Member of the Commission, and Colonel Espinosa de los Monteros (Spanish) a barrister of Madrid, was selected by vote of seven members of the Council, to fill the other vacancy. M. Rault was reappointed Chairman of the Commission for a further year from April 1st, 1924.

In connection with these selections, Lord Parmoor remarked that in future it might be advisable to invite representatives elected by the Saar population to submit proposals for the appointment of the Saar member of the Governing Commission. Mr. Branting supported this view. M. Hanotaux felt that such a course involved not only very grave dangers, but was not provided for by the Treaty; M. Salandra, while agreeing with the spirit of Lord Parmoor's observations, thought that the action suggested might prove embarrassing to the Council. As the matter was not of immediate interest, it was agreed that it should not be pursued for the present.

### b) *Development of the Local Gendarmerie.*

On March 11th, the Council took note of the Governing Commission's programme for increasing, during the fiscal year 1924-1925, the strength of the local gendarmerie by 200 men, *i.e.* from 355 to 555.

The Chairman of the Commission, M. Rault, and Mr. Stephens the member in charge of financial questions, explained that the present financial position of the Saar Basin did not permit of a larger increase for the moment. M. Rault had, as a matter of fact, proposed to the Commission that a new corps of 500 men should be formed, but, for financial reasons, this number had been reduced to 200. In this connection M. Rault stated that the number of the French troops available in the Saar Basin on February 1st, 1924, had been reduced to 1816 men.

After an exchange of views between Lord Parmoor, Mr. Branting, M. Hanotaux, and M. Salandra, the Council unanimously decided, on Lord Parmoor's motion, to take note of the fact that the original proposal of the Chairman of the Commission was for an increase of 500 gendarmes, but that the present financial situation did not immediately allow so large an increase. The Council also decided to impress upon the Commission the importance it attached to this matter, and expressed the hope that, should the financial position improve, the question would be considered again during the course of the year. The Council asked the Commission to forward its programme for the development of the gendarmerie during 1925-26.

During this discussion, Mr. Branting insisted upon the necessity for the Council to hear the views of the representatives of the Saar inhabitants, in States, might have a clear idea of the needs of the country.

## VI. — Protection of Minorities.

### 1. — ACQUISITION OF POLISH NATIONALITY

A report on the Germano-Polish negotiations regarding the interpretation and execution of Articles 3 and 4 of the Minorities Treaty (Acquisition of Polish Nationality, Double and Continuous Domicile) was discussed by the Council on March 14th.

The Brazilian representative, acting as rapporteur, stated that the negotiations, which began at Geneva on February 12th, under the auspices of the Council, had not as yet led to an agreement. On certain points of detail it had been possible to reconcile the divergent views of the parties, but a practical solution of the legal questions involved had not yet been found. Under these circumstances, the rapporteur had contemplated the possibility of seeking the advisory opinion of the Permanent Court of International Justice on the legal points still at issue.

In accordance with a decision of the Council at its December session, parallel negotiations on other litigious points, including the question of option, had also taken place at Warsaw. There also no agreement had been reached.

Considering that a reference of these questions to the Court would involve a certain delay, the Council invited the German and Polish Governments to continue negotiations, including in their discussions all other questions raised by either party with regard to the interpretation and execution of Articles 3 and 5 of the Minorities Treaty (Option). The Council further recommended that the parties should invite a third person—who, if no agreement were reached by the two Governments before April 1st, should be the President of the Upper Silesian Arbitral Tribunal—to preside over the negotiations in the capacity of mediator. Should the negotiations not result in a complete agreement in the form of a signed convention before June 1st, the mediator would be empowered to arbitrate on all points still at issue.

### 2. — THE SITUATION OF THE GERMAN COLONISTS IN POLAND

On March 15th the Council considered the situation of the Colonists of German origin in Poland. A special Committee of the Council, composed of Mr. Souza Dantas, representing Brazil, Lord Phillimore, representing Great Britain, and Count Bonin-Longare, representing Italy, had been appointed to study the matter and report to the Council (1). It had met Mr. Kozminski, the Polish representative, in Paris on March 3rd and, on March 6th, submitted a report to the Council.

The Council examined this Report M. Kozminski sitting as Polish representative. In the light of certain fresh observations of the Polish Government which the special Committee had not had the opportunity to consider, the Council held it advisable that the matter should be re-examined. It therefore asked the representatives of Brazil, Great Britain and Italy to meet the Polish Delegate again as soon as possible and conferred on them full powers to settle the matter in agreement with the Polish Government on the general basis of their report.

### 3. — THE GERMAN MINORITY SCHOOLS IN POLISH UPPER SILESIA

The question of German Minority schools in Polish Upper Silesia was examined by the Council on March 13th, the Brazilian representative acting as rap-

A certain number of petitions with regard to the opening of elementary and secondary German schools and higher educational establishments had been forwarded to the Council, under article 157 of the German-Polish Convention on Upper Silesia, by the Polish Government. In accordance with the Convention, the President of the Upper Silesian Mixed Commission was in each case requested to give his opinion.

As further communications from the Polish Government shewed that an elementary minority school had been opened and that, pending the opening of German secondary schools, special German classes had been formed in the Polish secondary schools, the Council confined itself to noting the reports on the subject.

#### 4. — MUSSULMANS OF ALBANIAN RACE IN GREECE

The President of the Mixed Commission for the exchange of Greek and Turkish populations has informed the Council of its decision that Greek nationals, of Mussulman religion and Albanian origin, who have settled in Epirus, are exempt from the compulsory exchange of the populations provided for under the Convention of January 30th, 1923, between Greece and Turkey.

The Mixed Commission will, if necessary, entrust to some special body the duty of collecting the information required to determine what persons are thus exempt. Until it can decide upon the individual cases submitted to it the Commission has given orders to its competent sub-committees provisionally to postpone the departure of all persons who might seem justified in claiming Albanian origin.

On December 17th last, the Council of the League drew the attention of the Mixed Commission to the fears expressed by the Albanian Government, that Mussulmans of Albanian origin in Greece would be assimilated with Mussulmans of Turkish origin, who are affected by the exchange scheme of the Lausanne Convention, and to the declaration of the representative of the Greek Government to the effect that his Government had no intention of including persons of Albanian origin in the scheme. The Council asked the Commission to hear any evidence the Albanian Government wished to put before it and to keep it informed of any action it found possible to take in this connection.

### VII. — Political Questions.

#### 1. — THE QUESTION OF THE FRONTIER BETWEEN POLAND AND CZECHOSLOVAKIA IN THE REGION OF JAWORZYNA

A solution of the question of the Polish-Czechoslovak frontier in the Jaworzyna district was reached by the Council on March 12th. This question, which was referred to the Council in August 1923 by the Conference of Ambassadors, was discussed at the September and December sessions of the Council and dealt with by the Permanent Court of International Justice in extraordinary session.

The Council, accepting the frontier line traced in the report presented by the Delimitation Commission, added that it would be desirable, in the interests of the communications and economic relations of the communes situated near, and on either side of this line, that protocols, in terms as favorable as possible to the reciprocal interests of the populations concerned, should be annexed to, and regarded as forming an integral part of the decision which will finally fix the frontier line.

This proposal was accepted by the representatives of the two interested States, who thanked the Council for its successful mediación.

## 2. — THE QUESTION OF MEMEL

The Council during its March session brought the Memel question to settlement by the acceptance of a draft Convention by the four Principal Allied Powers and Lithuania. This question, which the Treaty of Versailles had left in the hands of the Principal Allied Powers, had been referred to the Council by the Powers represented on the Conference of Ambassadors by virtue of Article II of the Covenant.

During the December session the Council had created a special Commission to propose the terms of settlement. This Commission was composed of Mr. Norman Davis, former Under-Secretary of State of the United States, Mr. Kroller, Member of the Dutch Economic Council and Mr. Hoernell, Member of the Swedish Academy of Technical Science.

The Commission held its first session at Geneva on February 5th, made a detailed investigation of the situation at Memel, and, after visiting the capitals Lithuania and Poland, returned to Geneva in time to elaborate the terms of the Convention for presentation to the Council session which began on March 10th.

Mr. Davis, in the report which he presented in the name of the Commission to the Council on March 12th, defined the principles which had guided the Commission as follows :

"The Allied and Associated Powers had separated the Memel district from the German Empire for a very definite purpose—that the Port of Memel might serve as an outlet to Lithuania and all the territory of the Niemen basin—and therefore there was a specific moral responsibility on the Allied Powers to see that it was used for this purpose. The Commission felt that it could not negotiate nor recommend to the Council of the League of Nations any agreement or solution which failed to provide proper safeguards for an efficient administration of the Port of Memel, equal and adequate facilities for all trade and commerce in the port, and an outlet for the economic life of the entire hinterland.

"Considering the large body of international law in regard to the rights and duties of racial minorities which has been created by treaty contract since the War, the Commission felt that it could not recommend to the Council of the League of Nations any project for the transfer of sovereignty over the Memel territory to Lithuania which did not offer the fullest protection to the non-Lithuanian population of the Territory and autonomy to the peoples in the Territory, who had for several centuries lived under laws and customs different from those of the rest of Lithuania."

Mr. Davis further explained to the Council that the Commission had felt itself constrained, in order to arrive at an agreement, to sweep aside all political controversy. He said that in his judgment the convention to which he had obtained the agreement of the Lithuanian Government was entirely in conformity with the decision of the Conference of Ambassadors of the 16th February, 1923. The Commission realised that the only way to reach a settlement of the Memel question was to isolate it as far as possible, but it had to recognise that other questions arising out of previous controversies could not but be an important factor in the solution of the transit problem. While Mr. Davis did not know of any formula by which good will could be created by statute or treaty, the Commission had nevertheless urged the desirability of a full resumption of commercial relations between the two countries. The Commission believed that the proposed Convention was sound because the carrying out of its provisions was to the interest of Lithuania both as to having a clear title to the Memel territory and as to the creation of an effective autonomous Government there. At the same time, the Commission fully and cordially recognised Poland's economic interests, and had made every effort to protect them. The arrangement proposed, if accepted by all the interested parties in the spirit which had inspired it, could and should create a better political situation and thus bring about in the very near future a friendly understanding

and co-operation which would be distinctly to the advantage of all the people in the Baltic regions.

Mr. Skirmunt, the representative of Poland, drew attention to a number of points in the Convention which his Government would desire to see modified.

At a later meeting on March 15th, Mr. Davis explained to the Council certain points connected with the Draft Convention, particularly with reference to the relation between the transit clauses and the Barcelona Conventions.

Mr. Skirmunt then stated that the points raised by him in the name of his Government at the previous meeting had not been met, and that in the circumstances he could not adhere to the Draft Convention but must confine himself to submitting it to his Government.

Mr. Galvanauskas, the representative of Lithuania, declared in the name of Lithuania that he was ready in the general interests of peace to sign the Convention although on a large number of points it did not realise the legitimate expectations of the Lithuanian nation.

The President of the Council then asked successively the representatives of the British Empire, France, Italy and Japan, whether they accepted the proposed Convention. Each in turn replied that he accepted in the name of his Government. Thus, the representatives of the four Principal Allied Powers and Lithuania formally accepted the Convention.

After this formal acceptance of the Convention, M. Guani, President of the Council, expressed the gratitude of the Members of the Council to Mr. Davis, M. Hoernell and M. Kroller for the competence and unremitting labour which had made their success possible. Mr. Davis, in reply, said he would be particularly gratified because the incident had given good evidence of what the League of Nations could and had accomplished which could not otherwise be accomplished, and had proved that the League of Nations was doing what it was intended to do.

*The Convention.* — The text consists of a General Convention establishing the contractual relations between the Allied Powers and Lithuania, three Annexes on the statutes of the Memel Territory and the Port and on the freedom of transit on the Niemen, and a Transitory Provision.

The General Convention lays down the conditions of the transfer to Lithuania by the Allied Powers of all their rights and titles over the Memel territory, of the payment of the occupation, administration and delimitation expenses, of the transfer of property, of the right of option of former German nationals, of the acquisition of Lithuanian nationality, of the protection of minorities, and of the rights of persons, private and corporate, who are nationals of foreign Powers.

The first article of the Statute of the Memel Territory stipulates that this Territory shall constitute, under the sovereignty of Lithuania, a unit, organised on democratic principles, enjoying legislative, judicial, administrative and financial autonomy within the limits prescribed by the Statute. The Statute goes on to define the competence of the local authorities.

The Governor of the Territory is appointed by the President of the Lithuanian Republic. Legislative power in the Territory will be exercised by a Chamber of Representatives elected by universal, equal, direct and secret suffrage, executive power by a Directorate of not more than five members, including the President, composed of citizens of the Territory.

A special article of the Statute recognises Lithuanian and German as the official languages of the Territory.

The Port of Memel is to be considered as a port of international concern, and the recommendations of the Barcelona Conference concerning ports subject to an international regime will be applied. The administration, operation, upkeep and development of the port will be entrusted to a Harbour Board of three members, one representing Lithuanian economic interests, one the economic interests of the Territory and a third to give special attention to international economic interests

served by the port and particularly to those of the district for which the port of Memel is the natural outlet. The Harbour Board is to maintain the existing free zone and provide such extensions as the transit traffic may warrant.

By the Transit Annex to the convention, the Lithuanian Government undertakes to ensure freedom of transit, by sea, water and rail, of traffic to and from the Memel territory, or in transit through the said Territory, and to conform in this respect to the rules laid down by the Statute and Convention on Freedom of Transit adopted by the Barcelona Conference.

The Lithuanian Government, in recognition of the international character of the Niemen and its traffic, and the general economic benefits to be derived from the exploitation of Lithuanian and other forests in the basin for which Memel is the natural outlet, undertakes to permit and grant all facilities for the river traffic to, from, or in the Port of Memel, and not to apply in respect of such traffic, on the ground of the present political relations between Lithuania and Poland, the stipulations of Articles 7 and 8 of the Barcelona Convention on Freedom of Transit and Article 13 of the Barcelona Recommendations relative to Ports subjected to an International Regime.

By the Transitory Provision, Lithuania undertakes, immediately on ratifying the convention, and pending its ratification by the other contracting parties, to give effect to all provisions of the Convention and its Annexes. The British Empire, France, Italy and Japan declare that, on the ratification of the Convention by Lithuania, they will recognise as lawful such acts of sovereignty on the part of the Lithuanian Government as are necessary to give effect to the engagements of the Convention and to preserve public order.

A certain number of clauses of the Convention and its Annexes provide for the intervention of the League. Article 17 of the Convention reads :

"The High Contracting Parties declare that any Member of the Council of the League of Nations shall be entitled to draw the attention of the Council to any infraction of the provisions of the present Convention.

"In the event of any difference of opinion in regard to questions of law or of fact concerning these provisions between the Lithuanian Government and any of the Principal Allied Powers of the Council of the League of Nations, such differences shall be regarded as a dispute of an international character under the terms of Article 14 of the Covenant of the League of Nations. The Lithuanian Government agrees that all disputes of this kind shall, if the other party so requests be referred to the Permanent Court of International Justice. There shall be no appeal from the Permanent Court's decision which shall have the force and value of a decision rendered in virtue of Article 13 of the Covenant."

The declaration relating to the protection of minorities made by the Lithuanian Government before the Council of the League at its meeting of May 12th, 1922, and the procedure adopted by the Council for dealing with petitions, apply to minorities within the territory of Memel.

The Port Annex provides that the third member of the Harbour Board shall be appointed by the Chairman of the Advisory and Technical Committee on Communications and Transit, and that a copy of the annual report of the Board shall be forwarded to the Committee. Any modification of the composition or powers of the Harbour Board, the plan of administration of the Port and the Transit Annex must be approved by a majority of the Council of the League. As regards the question of the payment of the occupation, administration and delimitation expenses, the Chairman of the League Economic and Financial Commission may eventually be called upon to name an arbitrator.

## VIII. — Social and Humanitarian Questions.

### 1. — REFUGEES

#### a) *Russian Refugees.*

The League High Commissioner for Refugees reported to the Council at its twenty-eighth session on the work of his organisation since the Fourth Assembly, giving details of the present situation of Russian refugees in various countries.

In Austria and Hungary the situation has remained stationary. In Constantinople the suppression of the diplomatic and consular institutions of the former Russian regime has made it necessary for the High Commission to undertake semi-officially, with the approval of the local authorities, the protection of the Russian refugees. In Bulgaria the Government has contributed 500,000 levas for the maintenance of schools supported by the High Commission. In the Far East the only solution of the refugee problem appears to lie in repatriation or emigration.

Some of the refugees have found employment in France, but in Germany, where there are 500,000, the situation is steadily growing worse, owing to unemployment and the increased cost of living. The High Commissioner has endeavoured to obtain additional resources from abroad and to facilitate the emigration of Russian refugees to other countries. A delegate of the High Commission has visited the United States, where the efforts of the Commission to obtain material assistance have met with success, the Joint Distribution Committee undertaking to contribute 10,000 dollars for the first two half-years for the maintenance of the Russian school recently founded in Berlin. As to emigration to the United States, the High Commission has been informed that it does not appear that the restrictions in force will be modified.

The High Commissioner further reported on the results of an appeal addressed by the League to Governments of countries harbouring a large number of Russian refugees, by which the formation of national refugee committees was proposed. The Roumanian Government has expressed its willingness to adopt this plan, but a certain number of other Governments have replied in the negative.

As regards the system of identity certificates established by the High Commission, the report mentions three new adhesions—China, Esthonia, and Hungary. The number of Governments which have adopted this principle is now thirty-four.

Despite the fact that progress has been made in connection with the regularisation of the legal status of Russian refugees, the material aspect of the problem still assumes serious proportions, the only solution being repatriation, emigration or employment. The High Commissioner is considering whether certain of the duties in connection with this question, could not be appropriately transferred to some permanent organisation.

#### b) *Greek Refugees.*

The question of the settlement of Greek refugees was discussed in public session on March 11th, when the Council, after noting the quarterly report of the Greek Refugees Settlement Commission, heard statements on the present position of the work by Mr. Morgenthau, President of the Commission, and Mr. Colocotronis, who sat on the Council as representative of the Greek Government for this question.

Mr. Morgenthau drew special attention to the difficulties of the problem, which, while not insoluble, was one which the Greek Government could not be expected



to solve by its own means. There were at present more than a million refugees in Greece, all of whom, with the exception of 60,000 Armenians, were of Greek nationality. Sixty per cent of the refugees were agricultural labourers, the remaining forty per cent being tradesmen and industrial workers. Half a million were in urgent need of help.

The Commission had one million pounds at its disposal but needed from six to eight million pounds to solve the whole settlement problem within two years. The Greek Government, despite its very limited resources, had done its utmost. Confidence in the League had been such that the Bank of Greece had advanced the necessary funds for immediate relief of the more pressing needs, and the League had thus been indirectly responsible for saving thousands of lives. The Government had already expended over two million pounds, and had handed over every available building.

M. Colocotronis, after thanking the Council and Mr. Morgenthau in the name of his Government, described the problem as more urgent than ever. Since May 1923 several thousand refugees had arrived in Greece. About 150,000 were expected from the shores of the Black Sea during the present year. The situation of the refugees in the towns was deplorable, as the last funds for their relief had already been expended. It was, therefore, essential that the first advance of one million pound, which had been granted by the Bank of England, should be followed by a second, to be realised as soon as possible.

M. Colocotronis thought it unnecessary to remind the Council that the assets assigned for the service of the loan afforded a complete guarantee. With regard to the grant of 500,000 hectares of settlement land, this area would be handed over to the Commission gradually, as the evacuation of the Turkish population took place. He was instructed to draw the attention of the Council to the urgent necessity of continuing the private relief assistance which refugees had been receiving and in which the American and British organisations had played so large a part. The Greek Government, he said, requested the support of the Council in its appeal to private charity.

The Council expressed its deep appreciation of the work of the Commission and its conviction that the results achieved by the expenditure of the funds already available were such as to indicate a prospect of settling the refugees on a permanent and productive basis, if the necessary financial support were secured. It recognised, however, that it would be impossible to provide such support unless the political situation in the near future offered prospects of order and economic stability and the consequent improvement of the Greek foreign credit. In view of the serious distress of the refugees, the Council emphasised that continued and increased assistance from private sources was an essential complement of the reconstruction scheme.

## 2. — THE OPIUM TRAFFIC

d) *Report of the Economic Committee (1).*

The report of the Economic Committee on its recent session came before the Council on March 11th.

One of the principal questions raised in the report was the constitution under Article 22 of the Convention on Customs Formalities of a technical organisation to advise on points arising out of the interpretation and application of the Convention. The Council, in accordance with the suggestion of the Economic Committee, entrusted to that body the duties assigned to the organisation in question. It moreover authorised the Committee, if necessary, to call upon the services of experts and requested it to submit proposals as to the procedure to be followed when appealing to the technical organisation.

The Council invited the Director of the International Bureau for the Protection of Industrial Property at Berne to take part in an advisory capacity in the work of the experts meeting at Geneva on May 5th to discuss a draft convention on unfair competition.

3. — COMMUNICATIONS AND TRANSIT

a) *Meeting of the Advisory Committee.*

The new Committee for Communications and Transit, which was elected by the Second General Conference (2), met at Geneva from March 12th to 14th to discuss questions concerning its organisation and complete its programme of work. This Committee is at present composed of experts nominated by the following countries : Austria, Belgium, British Empire, Chile, China, Colombia, Cuba, France, Greece, Italy, Japan, Lithuania, Norway, Poland, Roumania, Salvador, Spain and Venezuela.

The first business was the election of officers. Mr. Baldwin (British Empire) was chosen President, Mr. Aguerro y Bethancourt (Cuba), and Mr. Winiarski (Poland) Vice-Presidents.

After examining the recommendations made by the President, the Committee drew up its programme, which it divided among seven sub-committees. These sub-committees will deal respectively with railway questions; internal navigation; maritime ports and navigation; electric questions; road traffic; legal questions and budgetary matters.

Two special committees were also appointed, one for the study of questions concerning wireless telegraphy and the other for the reform of the calendar.

b) *The Second General Conference on Communications and Transit.*

The Council, on March 11th, noted with satisfaction the work done by the Second General Conference on Communications and Transit. It expressed the hope that the conventions concluded at this Conference would be signed by the greatest possible number of States and that ratification would take place promptly.

c) *Appointment of the Chairman of the Permanent Technical Hydraulic System Commission of the Danube.*

The Council, whose duty it is under Article 293 of the Treaty of Trianon to nominate the Chairman of the Permanent Technical Hydraulic System Commission of the Danube, appointed M. Charles Rossetti (Italian) as successor to M. Chargueraud (France), deceased.

(1) See *Monthly Summary*, Vol. IV, No. 2, p. 39

(2) See *Monthly Summary*, Vol. III, No. 12, p. 297.

#### 4. — INTELLECTUAL CO-OPERATION

##### a) *Exchange of Publications.*

On March 11th the Council decided on the recommendation of the Committee on Intellectual Co-operation to invite a Committee of Experts to consider under what conditions the Conventions of 1886 on the international exchange of publications might be revised.

This Committee is to examine the best means of ensuring the complete application of the Brussels Conventions on the exchange of publications and of improving the working of the national exchange offices. Owing to the objection made by certain countries that a central exchange department would prove too expensive, the Committee will also consider the feasibility of some other system which would cost less, but would still achieve the purpose aimed at in the 1886 Conventions. Finally, it has to discuss the extension of the system of international exchange to non-official scientific and literary publications. Suggestions to this effect have already been made by several national exchange departments and national committees for intellectual co-operation.

The Committee will consist of seven members : Belgian, British, French, Italian and Polish, the other two being drawn from the United States and a Latin American State respectively. It will meet before the next Assembly with Professor Bergson as chairman.

##### b) *Appointment to the Committee on Intellectual Co-operation.*

The Council appointed Sir J. Chandra Bose to succeed to Professor Bannerjee on the Committee on Intellectual Co-operation.

#### V. — Administrative Questions.

## 2. — THE SAAR

### a) *Appointment of the Governing Commission.*

Several questions relating to the Saar Basin came before the Council at its twenty-eighth session. The appointments for the Governing Commission were dealt with on March 15th, when M. Lambert (Belgian) M. Rault (French) and Mr. Stephens (Canadian) were asked to continue in office for a year (April 1st, 1924 to March 31st, 1925). The two other members, Herr Land (Saar Basin) and Count de Moltke-Huitfeldt (Danish) had requested the Council not to reappoint them, and as a result several candidates had been put forward for the vacant positions. Herr Kossmann, former member of the German Reichstag and President of the Saar Advisory Council, was chosen as Saar Basin Member of the Commission, and Colonel Espinosa de los Monteros (Spanish) a barrister of Madrid, was selected by vote of seven members of the Council, to fill the other vacancy. M. Rault was reappointed Chairman of the Commission for a further year from April 1st, 1924.

In connection with these selections, Lord Parmoor remarked that in future it might be advisable to invite representatives elected by the Saar population to submit proposals for the appointment of the Saar member of the Governing Commission. Mr. Branting supported this view. M. Hanotaux felt that such a course involved not only very grave dangers, but was not provided for by the Treaty; M. Salandra, while agreeing with the spirit of Lord Parmoor's observations, thought that the action suggested might prove embarrassing to the Council. As the matter was not of immediate interest, it was agreed that it should not be pursued for the present.

### b) *Development of the Local Gendarmerie.*

On March 11th, the Council took note of the Governing Commission's programme for increasing, during the fiscal year 1924-1925, the strength of the local gendarmerie by 200 men, *i.e.* from 355 to 555.

The Chairman of the Commission, M. Rault, and Mr. Stephens the member in charge of financial questions, explained that the present financial position of the Saar Basin did not permit of a larger increase for the moment. M. Rault had, as a matter of fact, proposed to the Commission that a new corps of 500 men should be formed, but, for financial reasons, this number had been reduced to 200. In this connection M. Rault stated that the number of the French troops available in the Saar Basin on February 1st, 1924, had been reduced to 1816 men.

After an exchange of views between Lord Parmoor, Mr. Branting, M. Hanotaux, and M. Salandra, the Council unanimously decided, on Lord Parmoor's motion, to take note of the fact that the original proposal of the Chairman of the Commission was for an increase of 500 gendarmes, but that the present financial situation did not immediately allow so large an increase. The Council also decided to impress upon the Commission the importance it attached to this matter, and expressed the hope that, should the financial position improve, the question would be considered again during the course of the year. The Council asked the Commission to forward its programme for the development of the gendarmerie during 1925-26.

During this discussion, Mr. Branting insisted upon the necessity for the Council to hear the views of the representatives of the Saar inhabitants, *in order that it* might have a clear idea of the needs of the country.



A certain number of petitions with regard to the opening of elementary and secondary German schools and higher educational establishments had been forwarded to the Council, under article 157 of the German-Polish Convention on Upper Silesia, by the Polish Government. In accordance with the Convention, the President of the Upper Silesian Mixed Commission was in each case requested to give his opinion.

As further communications from the Polish Government shewed that an elementary minority school had been opened and that, pending the opening of German secondary schools, special German classes had been formed in the Polish secondary schools, the Council confined itself to noting the reports on the subject.

#### 4. — MUSSULMANS OF ALBANIAN RACE IN GREECE

The President of the Mixed Commission for the exchange of Greek and Turkish populations has informed the Council of its decision that Greek nationals, of Mussulman religion and Albanian origin, who have settled in Epirus, are exempt from the compulsory exchange of the populations provided for under the Convention of January 30th, 1923, between Greece and Turkey.

The Mixed Commission will, if necessary, entrust to some special body the duty of collecting the information required to determine what persons are thus exempt. Until it can decide upon the individual cases submitted to it the Commission has given orders to its competent sub-committees provisionally to postpone the departure of all persons who might seem justified in claiming Albanian origin.

On December 17th last, the Council of the League drew the attention of the Mixed Commission to the fears expressed by the Albanian Government, that Mussulmans of Albanian origin in Greece would be assimilated with Mussulmans of Turkish origin, who are affected by the exchange scheme of the Lausanne Convention, and to the declaration of the representative of the Greek Government to the effect that his Government had no intention of including persons of Albanian origin in the scheme. The Council asked the Commission to hear any evidence the Albanian Government wished to put before it and to keep it informed of any action it found possible to take in this connection.

### VII. — Political Questions.

#### 1. — THE QUESTION OF THE FRONTIER BETWEEN POLAND AND CZECHOSLOVAKIA IN THE REGION OF JAWORZYNA

A solution of the question of the Polish-Czechoslovak frontier in the Jaworzyna district was reached by the Council on March 12th. This question, which was referred to the Council in August 1923 by the Conference of Ambassadors, was discussed at the September and December sessions of the Council and dealt with by the Permanent Court of International Justice in extraordinary session.

The Council, accepting the frontier line traced in the report presented by the Delimitation Commission, added that it would be desirable, in the interests of the communications and economic relations of the communes situated near, and on either side of this line, that protocols, in terms as favorable as possible to the reciprocal interests of the populations concerned, should be annexed to, and regarded as forming an integral part of the decision which will finally fix the frontier line.

This proposal was accepted by the representatives of the two interested States, who thanked the Council for its successful mediation.

## 2. — THE QUESTION OF MEMEL

The Council during its March session brought the Memel question to settlement by the acceptance of a draft Convention by the four Principal Allied Powers and Lithuania. This question, which the Treaty of Versailles had left in the hands of the Principal Allied Powers, had been referred to the Council by the Powers represented on the Conference of Ambassadors by virtue of Article 11 of the Covenant.

During the December session the Council had created a special Commission to propose the terms of settlement. This Commission was composed of Mr. Norman Davis, former Under-Secretary of State of the United States, Mr. Kroller, Member of the Dutch Economic Council and Mr. Hoernell, Member of the Swedish Academy of Technical Science.

The Commission held its first session at Geneva on February 5th, made a detailed investigation of the situation at Memel, and, after visiting the capitals Lithuania and Poland, returned to Geneva in time to elaborate the terms of the Convention for presentation to the Council session which began on March 10th.

Mr. Davis, in the report which he presented in the name of the Commission to the Council on March 12th, defined the principles which had guided the Commission as follows :

"The Allied and Associated Powers had separated the Memel district from the German Empire for a very definite purpose—that the Port of Memel might serve as an outlet to Lithuania and all the territory of the Niemen basin—and therefore there was a specific moral responsibility on the Allied Powers to see that it was used for this purpose. The Commission felt that it could not negotiate nor recommend to the Council of the League of Nations any agreement or solution which failed to provide proper safeguards for an efficient administration of the Port of Memel, equal and adequate facilities for all trade and commerce in the port, and an outlet for the economic life of the entire hinterland

"Considering the large body of international law in regard to the rights and duties of racial minorities which has been created by treaty contract since the War, the Commission felt that it could not recommend to the Council of the League of Nations any project for the transfer of sovereignty over the Memel territory to Lithuania which did not offer the fullest protection to the non-Lithuanian population of the Territory and autonomy to the peoples in the Territory, who had for several centuries lived under laws and customs different from those of the rest of Lithuania."

and co-operation which would be distinctly to the advantage of all the people in the Baltic regions.

Mr. Skirmunt, the representative of Poland, drew attention to a number of points in the Convention which his Government would desire to see modified.

At a later meeting on March 15th, Mr. Davis explained to the Council certain points connected with the Draft Convention, particularly with reference to the relation between the transit clauses and the Barcelona Conventions.

Mr. Skirmunt then stated that the points raised by him in the name of his Government at the previous meeting had not been met, and that in the circumstances he could not adhere to the Draft Convention but must confine himself to submitting it to his Government.

Mr. Galvanauskas, the representative of Lithuania, declared in the name of Lithuania that he was ready in the general interests of peace to sign the Convention although on a large number of points it did not realise the legitimate expectations of the Lithuanian nation.

The President of the Council then asked successively the representatives of the British Empire, France, Italy and Japan, whether they accepted the proposed Convention. Each in turn replied that he accepted in the name of his Government. Thus, the representatives of the four Principal Allied Powers and Lithuania formally accepted the Convention.

After this formal acceptance of the Convention, M. Guani, President of the Council, expressed the gratitude of the Members of the Council to Mr. Davis, M. Hoernell and M. Kroller for the competence and unremitting labour which had made their success possible. Mr. Davis, in reply, said he would be particularly gratified because the incident had given good evidence of what the League of Nations could and had accomplished which could not otherwise be accomplished, and had proved that the League of Nations was doing what it was intended to do.

*The Convention.* — The text consists of a General Convention establishing the contractual relations between the Allied Powers and Lithuania, three Annexes on the statutes of the Memel Territory and the Port and on the freedom of transit on the Niemen, and a Transitory Provision.

The General Convention lays down the conditions of the transfer to Lithuania by the Allied Powers of all their rights and titles over the Memel territory, of the payment of the occupation, administration and delimitation expenses, of the transfer of property, of the right of option of former German nationals, of the acquisition of Lithuanian nationality, of the protection of minorities, and of the rights of persons, private and corporate, who are nationals of foreign Powers.

The first article of the Statute of the Memel Territory stipulates that this Territory shall constitute, under the sovereignty of Lithuania, a unit, organised on democratic principles, enjoying legislative, judicial, administrative and financial autonomy within the limits prescribed by the Statute. The Statute goes on to define the competence of the local authorities.

The Governor of the Territory is appointed by the President of the Lithuanian Republic. Legislative power in the Territory will be exercised by a Chamber of Representatives elected by universal, equal, direct and secret suffrage, executive power by a Directorate of not more than five members, including the President, composed of citizens of the Territory.

A special article of the Statute recognises Lithuanian and German as the official languages of the Territory.

The Port of Memel is to be considered as a port of international concern, and the recommendations of the Barcelona Conference concerning ports subject to an international regime will be applied. The administration, operation, upkeep and development of the port will be entrusted to a Harbour Board of three members, one representing Lithuanian economic interests, one the economic interests of the Territory and a third to give special attention to international economic interests





## VIII. — Social and Humanitarian Questions.

### 1. — REFUGEES

#### a) *Russian Refugees.*

The League High Commissioner for Refugees reported to the Council at its twenty-eighth session on the work of his organisation since the Fourth Assembly, giving details of the present situation of Russian refugees in various countries.

In Austria and Hungary the situation has remained stationary. In Constantinople the suppression of the diplomatic and consular institutions of the former Russian regime has made it necessary for the High Commission to undertake semi-officially, with the approval of the local authorities, the protection of the Russian refugees. In Bulgaria the Government has contributed 500,000 levas for the maintenance of schools supported by the High Commission. In the Far East the only solution of the refugee problem appears to lie in repatriation or emigration.

Some of the refugees have found employment in France, but in Germany, where there are 500,000, the situation is steadily growing worse, owing to unemployment and the increased cost of living. The High Commissioner has endeavoured to obtain additional resources from abroad and to facilitate the emigration of Russian refugees to other countries. A delegate of the High Commission has visited the United States, where the efforts of the Commission to obtain material assistance have met with success, the Joint Distribution Committee undertaking to contribute 10,000 dollars for the first two half-years for the maintenance of the Russian school recently founded in Berlin. As to emigration to the United States, the High Commission has been informed that it does not appear that the restrictions in force will be modified.

The High Commissioner further reported on the results of an appeal addressed by the League to Governments of countries harbouring a large number of Russian refugees, by which the formation of national refugee committees was proposed. The Roumanian Government has expressed its willingness to adopt this plan, but a certain number of other Governments have replied in the negative.

As regards the system of identity certificates established by the High Commission, the report mentions three new adhesions—China, Esthonia, and Hungary. The number of Governments which have adopted this principle is now thirty-four.

Despite the fact that progress has been made in connection with the regularisation of the legal status of Russian refugees, the material aspect of the problem still assumes serious proportions, the only solution being repatriation, emigration or employment. The High Commissioner is considering whether certain of the duties in connection with this question, could not be appropriately transferred to some permanent organisation.

#### b) *Greek Refugees.*

The question of the settlement of Greek refugees was discussed in public session on March 11th, when the Council, after noting the quarterly report of the Greek Refugees Settlement Commission, heard statements on the present position of the work by Mr. Morgenthau, President of the Commission, and Mr. Colocotronis, who sat on the Council as representative of the Greek Government for this question.

Mr. Morgenthau drew special attention to the difficulties of the problem, which, while not insoluble, was one which the Greek Government could not be expected

to solve by its own means. There were at present more than a million refugees in Greece, all of whom, with the exception of 60,000 Armenians, were of Greek nationality. Sixty per cent of the refugees were agricultural labourers, the remaining forty per cent being tradesmen and industrial workers. Half a million were in urgent need of help.

The Commission had one million pounds at its disposal but needed from six to eight million pounds to solve the whole settlement problem within two years. The Greek Government, despite its very limited resources, had done its utmost. Confidence in the League had been such that the Bank of Greece had advanced the necessary funds for immediate relief of the more pressing needs, and the League had thus been indirectly responsible for saving thousands of lives. The Government had already expended over two million pounds, and had handed over every available building.

M. Colocotronis, after thanking the Council and Mr. Morgenthau in the name of his Government, described the problem as more urgent than ever. Since May 1923 several thousand refugees had arrived in Greece. About 150,000 were expected from the shores of the Black Sea during the present year. The situation of the refugees in the towns was deplorable, as the last funds for their relief had already been expended. It was, therefore, essential that the first advance of one million pounds, which had been granted by the Bank of England, should be followed by a second, to be realised as soon as possible.

M. Colocotronis thought it unnecessary to remind the Council that the assets assigned for the service of the loan afforded a complete guarantee. With regard to the grant of 500,000 hectares of settlement land, this area would be handed over to the Commission gradually, as the evacuation of the Turkish population took place. He was instructed to draw the attention of the Council to the urgent necessity of continuing the private relief assistance which refugees had been receiving and in which the American and British organisations had played so large a part. The Greek Government, he said, requested the support of the Council in its appeal to private charity.

The Council expressed its deep appreciation of the work of the Commission and its conviction that the results achieved by the expenditure of the funds already available were such as to indicate a prospect of settling the refugees on a permanent and productive basis, if the necessary financial support were secured. It recognised, however, that it would be impossible to provide such support unless the political situation in the near future offered prospects of order and economic stability and the consequent improvement of the Greek foreign credit. In view of the serious distress of the refugees, the Council emphasised that continued and increased assistance from private sources was an essential complement of the reconstruction scheme.

## 2. — THE OPIUM TRAFFIC

### *First Sessions of the Preparatory Committee for the General Conferences.*

The special Committee appointed by the Council to prepare the programme for the General Conference on Manufactured Narcotics <sup>(1)</sup> held its first two sessions in March, the first at Geneva from the 6th to the 11th and the second at Paris from the 28th to the 29th. The Committee consisted of M. Bourgois, Sir Malcolm Delevingne and Mr. van Wettum, who were selected by the Opium Advisory Committee, Mr. Neville—who was appointed by the United States—and M. Brenier and Sir John Jordan, assessors on the Advisory Committee. Mr. van Wettum was selected as chairman.

(1) See *Monthly Summary*, Vol. IV, No. 2, p. 43

The material available for the work consisted chiefly of statistics collected by the Secretariat of the present production, import and export of opium and coca leaves and their manufactured products, such as morphine and cocaine; of estimates supplied by Governments of their requirements in these raw materials and manufactured drugs; and of various suggestions for the proposed draft agreements on the best means of limiting to medical and scientific needs the manufacture of narcotics and the production for export of the necessary opium and coca leaves.

The work of the Committee was purely preliminary and will be followed by further meetings to elaborate the texts of the draft agreements. At the first session, however, three resolutions were passed, all of which were approved by the Council on March 12th. In one of these the Committee requested the Council to invite the Governments of the chief manufacturing and producing countries (Germany, Switzerland, Japan, Kingdom of the Serbs, Croats and Slovenes, Turkey, Persia, India, Russia, Greece, Peru and Bolivia) to appoint representatives who might be called upon, when necessary, to collaborate with the Committee in the preparation of the draft arrangement, or arrangements, in which they were individually concerned.

The two other resolutions referred to the preparation of the programme for the other General Conference summoned by the League on the gradual suppression of opium-smoking. The Preparatory Committee found, in the course of its discussions, that the aims of the two Conferences were in reality very closely related and that it could deal with the whole problem better if it undertook the preliminary work for both. It therefore suggested this extension of its duties to the Council, which approved and also agreed to invite the Governments holding territory in the Far East where opium-smoking still continues to nominate representatives who might be called upon to help the Committee, when necessary, with their advice.

#### *Re-appointment of Assessors on the Advisory Committee.*

The Council invited the three Assessors of the Opium Advisory Committee, M. Brenier (French), Sir John Jordan (British) and Mrs. Hamilton Wright (American), to serve on the Committee for a further period of one year.

### 3. — FAMINE IN ALBANIA

An appeal from the Albanian Government on behalf of the famine-stricken population of the mountainous regions of northern and north-eastern Albania came before the Council on March 13th. Owing to the ravages of the war and two bad harvests, it was stated in the appeal, the entire population of these regions, amounting to about 200,000, was suffering from famine.

The British representative, who acted as rapporteur, said that his Government had for some time been aware of the distress of the population of these regions. The Albanian Government had done all in its power to alleviate this suffering, but the resources at its disposal were extremely limited and its assistance had proved inadequate. The rapporteur understood that £2,800 had been raised privately in Great Britain for relief in the stricken areas, and that the sum of 90,000 lire was being subscribed by the Vatican. A further sum of £15,000 would probably be needed to meet the requirements of the situation.

The rapporteur added that, should the Council respond to the appeal of the Albanian Government, the British Government would be prepared to propose a contribution from British funds not exceeding £5,000.

The Italian representative, warmly supporting the proposals of the British representative, suggested that the Council should immediately contribute, for relief in Northern Albania, a sum of 50,000 Swiss francs. This suggestion, in consideration of the exceptional circumstances prevailing, was embodied in a resolution

and unanimously approved by the Council, as well as an appeal to assistance from private sources.

In view of the urgency of the case, the Council enquired of all States Members of the League whether and in what measure their Governments might be disposed to assist with contributions either in money or in kind, and requested the Joint Committee of the International Red Cross and the League of Red Cross Societies to appoint a representative to administer on behalf of the League funds made available by the decision of the Council, by States Members for expenditure on behalf of the League, or from private sources.

In compliance with the Council's request, the Joint Committee of the Red Cross organisations appointed Professor Eugene Pittard of the University of Geneva to administer the relief funds. Professor Pittard left for Albania at once.

Shortly after the Council session, certain American citizens in New York who had knowledge of the crisis in Albania and of the various steps taken by the League to meet it, cabled the Secretary-General some \$10,000 to be added to other funds received. Professor Pittard also telegraphed from Rome that Senator Ciruolo, President of the Italian Red Cross, had made a gift of clothing and antimalarial medicine.

#### 4. — SLAVERY

The question of the appointment of a competent body to continue the investigation on slavery, which was referred to the Council by the Fourth Assembly, was dealt with on March 14th, when the Council requested the Secretary-General to submit the names of six experts in colonial questions who could carry on the investigation and report to the Council.

The Council invited the International Labour Organisation to nominate a representative on the new commission of experts.

#### 5. — THE INTERNATIONAL ASSOCIATION FOR THE PROMOTION OF CHILD WELFARE

The work of the International Association for the Promotion of Child Welfare which, hitherto, has acted as a central office of documentation on all matters concerning child welfare, will, in virtue of a Council decision of March, 14th, subject to ratification by the Assembly, henceforth be carried on by the Secretariat of the League.

An application of the International Association to be taken under the direction of the League in virtue of Article 24 of the Covenant was first considered by the Council in September 1922, when it was decided, before proceeding with the matter, to ask for further information regarding the constitution of the Association. As a result of subsequent negotiations with the interested Governments, the Council decided that the League should be entrusted with the duties hitherto performed by the Association.

#### 6. — INTERNATIONAL ARRANGEMENTS FOR LEGAL ASSISTANCE TO THE POOR

The convening by the Secretary-General of a meeting of experts to prepare a report for the Assembly relating to international arrangements for legal assistance for the poor was authorised by the Council in its meeting of March 13th, on the understanding that funds would be available from a private source.

This question was originally brought before the last Assembly by the Norwegian Delegation, which pointed out that, as agencies existed in many countries for extending legal aid to those otherwise unable to afford it, it might be highly

desirable to bring about co-operation between those agencies on an international basis. Cases are constantly arising where justice cannot be had because of lack of funds to pay for legal service in another country.

The Assembly decided to place this question on the agenda of its meeting next September and, in the meantime, to authorise the Secretary-General to prepare a report and to make such enquiries as might be found desirable and practicable without expenditure of League funds. Since that time assurances have been received that funds may be obtainable from a private source, and consequently the Council gave the Secretary-General the necessary authority to convene a meeting of experts with a view to preparing a report for the Assembly.

## IX. — Publications of the League of Nations.

### *First number of the Bulletin of the International University Information Office.*

The first number (January and April) of the Bulletin of the International University Information Office set up by the Committee on Intellectual Co-operation was published during the month. This publication, which is issued in English and French, aims at making known and promoting the various forms of international university intercourse, such as the exchange of professors, students and scientific works, administrative measures taken by Governments and universities in order to enable foreigners to visit their countries, the equivalence of degrees, travelling and other scholarships, the conditions of exemption from lecture fees and information regarding course for foreign students.

In addition to a brief statement on the programme of the International University Information Office, this number contains a detailed account of the session of the University Sub-Committee of the Committee on Intellectual Co-operation at which the Office was definitely organised. The results of an inquiry addressed to the international Students' associations on the organisation of student exchanges, the conditions of students' life abroad and university studies in general are also published. A special chapter entitled "University Information" contains the official text of a convention concluded by five Central American States for the reciprocal exchange of students and communications from the national university offices and universities of various countries, and from the international students' associations, another chapter being reserved for communications from the national committees on intellectual co-operation. Bibliographic notes on publications relating to university questions and a geographical index of countries on which information is given in the Bulletin are also included.

## X. — Forthcoming Events.

April 23rd :	Third Session of the Preparatory Committee for the General Conferences on Opium, Geneva.
April (end) :	Meeting of the University Sub-Committee of the Committee on Intellectual Co-operation, Brussels.
May 1st :	Meeting of the Sub-Committee on Bibliography of the Committee on Intellectual Co-operation, Brussels.
May 5th :	Meeting of Experts on Unfair Competition, Geneva.
May 7th :	Second Session of the Health Committee, Paris.
May 7th :	Meeting of the Supervisory Commission, Geneva.

May 8th :	Twelfth Session of the Economic Committee, Geneva.
May 12th :	Meeting of the Permanent Advisory Commission for Military, Naval and Air Questions, Paris.
May 20 th :	Meeting of the Committee for the Reform of the Calendar, Paris.
June 2nd :	Fourth Session of the Preparatory Committee for the General Conferences on Opium, Geneva.
June (date not fixed) :	Tenth Session of the Temporary Mixed Commission for the Reduction of Armaments, Geneva.
June 11th :	Twenty-ninth Session of the Council, Geneva.
June 16th :	Sixth International Labour Conference, Geneva.

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month</i> . . . .	73	c) Third Session of the Com- mittee of Government Experts on Double Ta- xation . . . . .	79
II. <i>Reduction of Armaments</i> . . .	74	3. Intellectual Co-operation . .	80
Meeting of a Special Sub-Com- mission on the Private Manu- facture of Arms . . . . .	74	V. <i>Protection of Minorities</i> . . .	80
III. <i>General Questions</i> . . . . .	74	Acquisition of Polish Nationality. .	80
1. International Agreements. .	74	VI. <i>Political Questions</i> . . . . .	80
Registration of Treaties. .	74	Question of the Frontier be- tween Poland and Czechoslo- vakia in the Region of Jawor- zyna . . . . .	80
2. The International Conference on Emigration and Immi- gration . . . . .	75	VII. <i>Social and Humanitarian Ques- tions</i> . . . . .	81
IV. <i>Technical Organisations</i> . . .	76	1. Traffic in Women and Children. .	81
1. The Health Organisation. .	76	a) First Meeting of the Body of Experts . . . . .	81
The Fourth Collective In- terchange of Medical Officers of Health . . .	76	b) Third Annual Session of the Advisory Committee .	81
2. The Economic and Financial Organisation . . . . .	76	2. Traffic in Opium. . . . .	83
a) The Financial Reconstruc- tion of Hungary . . .	76	Meeting of the Preparatory Committee. . . . .	83
b) The Financial Reconstruc- tion of Austria . . . .	78	3. Famine in Northern Albania. .	83
		VIII. <i>Forthcoming Events</i> . . . . .	84

Communications concerning the *Monthly Summary* should be addressed  
to the Information Section, League of Nations, Geneva.

### I. — Summary of the Month.

During the month important introductory measures in connexion with the League's scheme for the financial reconstruction of Hungary were taken by the Hungarian Government in collaboration with a delegation of the Council of the League. The Council appointed an American, Mr. Jeremiah Smith, as Commissioner-General of the League in Budapest. Mr. Smith arrived in Budapest at the beginning of May.

Several Committees met in the course of the month. A Sub-Commission of the Temporary Mixed Commission for the Reduction of Armaments examined the question of the private manufacture of arms and munitions; the Committee of Government Experts continued its work on the subject of double taxation and fiscal evasion; two sub-commissions of the Committee on Intellectual Co-operation studied international bibliographic questions and inter-university relations; the Preparatory Committee for the International Conferences on Opium and Manufactured Narcotics held its third session, and the Advisory Committee on Traffic in Women and Children held its annual session; the body of experts appointed to inves-

tigate the conditions under which traffic in women and children is carried on drew up its programme of work.

The representatives of the Italian and Serb-Croat-Slovene Governments presented for registration with the Secretariat the Friendship Pact and the Fiume Agreement concluded at Rome on January 29th, 1924, by their respective Governments.

In response to an appeal of the Council, the money estimated as necessary for relief work in Albania was entirely subscribed. This estimate has, however, been proved to be somewhat low.

## II. — Reduction of Armaments.

### MEETING OF A SPECIAL SUB-COMMISSION ON THE PRIVATE MANUFACTURE OF ARMS

The special body of experts set up by the first sub-commission of the Temporary Mixed Commission for the Reduction of Armaments at its March session met at Prague on April 26th to examine a draft treaty on the private manufacture of arms and munitions prepared by Colonel David Carnegie, a member of the Commission. M. Hodac (Czechoslovakia) was in the chair.

After a general exchange of views on the principles of control of manufacture, the Sub-Commission decided by a majority to confine its efforts to national control of the private manufacture of arms. M. Jouhaux, however, was of the opinion that national control, in order to be effective, should be supplemented by international control. With this reservation, the Sub-Commission agreed unanimously to submit to the Plenary Commission at its June meeting a series of proposals which might form the basis of an international convention aiming at the greatest possible uniformity of control. These proposals may be summarised as follows :

(1) The material subjected to control should be the same as that covered by the Convention on the Traffic in Arms. The Permanent Advisory Commission on Military, Naval and Air Questions has been requested to draw up a list of such material;

(2) The right to manufacture arms or munition should be restricted to enterprises or persons holding a Government license;

(3) The Government license should be granted subject to certain conditions, such as (a) communication of sufficient information regarding the organisation of the enterprise concerned; (b) publicity of financial and commercial operations in connexion with manufacture covered by the license and (c) observance of regulations with a view to avoiding all pressure on public opinion in favour of excessive armaments.

## III. — General Questions.

### 1. — INTERNATIONAL AGREEMENTS

#### *Registration of Treaties.*

The Italian Minister and the Minister of the Kingdom of the Serbs, Croats and Slovenes at Berne, on behalf of their respective Governments, deposited on April 7th for registration with the Secretariat the agreements concluded at Rome on January 27th and 29th between Italy and the Serb-Croat-Slovene Kingdom.

The agreements comprise :

1. A pact of Friendship and cordial collaboration between the Contracting Parties, who declare that they are firmly resolved to maintain peace and the regime established by the Peace Treaties, as well as to respect and execute the obligations stipulated in those Treaties. The Pact further outlines the attitude to be adopted by the Parties in the event of unprovoked aggression against one of them, of menace to the security or interests of one of the Parties, or of international complications. The Pact is valid for five years and may be denounced one year before its expiry.

2. An Additional Protocol by which the Contracting Parties undertake to communicate to each other, after a preliminary understanding, agreements concerning their policy in Central Europe.

3. An agreement concerning Fiume, with two annexes.

4. An agreement as to the method of tracing the frontier-line on the Banchino.

5. An agreement on the temporary observance of contracts already in force in the eased zone of the Port of Fiume.

6. An agreement concerning the Institute of San Girolamo degli Schiavoni in Rome.

7. An agreement in connexion with Article 9 of the Fiume Agreement, concerning the regime applicable to Fiume nationals.

8. An agreement as to the autonomy of Serbian Orthodox communities in Italy.

9. An agreement concerning the exchange value of crown currency issued by the Slovene co-operative societies in Venetia

Among other treaties and international agreements registered with the Secretariat during the month may be mentioned :

A commercial treaty between Italy and Switzerland, signed at Zurich on January 27th, 1923;

An agreement prolonging for a further period of five years the Arbitration Convention of February 27th, 1904, between Great Britain and Spain,

Agreements between Great Britain and the United States, and between Great Britain and China concerning the exchange of money orders,

An arrangement between France and Great Britain concerning the French zone in Morocco;

A Declaration made by the Delegate of Ethiopia on the occasion of the admission of Ethiopia to the League; this document was signed at Geneva on September 27th, 1923;

A Treaty relating to the American, British, French and Japanese possessions in the Pacific, concluded by the United States, the British Empire, France and Japan, signed on December 13th, 1921, at Washington;

A Treaty additional to the above;

The Washington Treaty on the Limitation of Naval Armaments, concluded by the United States, the British Empire, France, Italy and Japan, signed on February 6th, 1922, at Washington;

A Convention on literary and artistic property, concluded on September 26th, 1922, by Brazil and Portugal.

## 2. — THE INTERNATIONAL CONFERENCE ON EMIGRATION AND IMMIGRATION

The Italian Government has invited the Acting President of the Council and the Secretary-General of the League to be present at the inauguration of the International Conference on Emigration and Immigration which will meet at Rome on May 15th.

The Italian Government has also invited the Secretariat of the League to send representatives in an advisory capacity to the Conference and to hold in readiness any information the League may possess on questions on the agenda.

The Secretary-General has informed the Italian Government that the President of the Council, M. Guan (Uruguay) accepts its invitation and that he himself, being pledged to visit certain northern capitals at the time of the Conference, is obliged, to his great regret, to decline the invitation. He will, however, be represented at the opening ceremony by M. Attolico, Under Secretary-General of the League. The sections of the Secretariat concerned have been instructed to collect any information which may be of use to the Conference.

## IV. — Technical Organisations.

### 1. — THE HEALTH ORGANISATION

#### *The Fourth Collective Interchange of Medical Officers of Health.*

The fourth collective interchange of medical officers of health, which took place in England from February 1st to April 10th, 1924, marked a further improvement in the system of interchanges, both from the point of view of technical organisation and from that of the development of international co-operation among medical officers of health. The twenty-five participants were senior officials occupying key-posts in their respective health administrations and were drawn from the Argentine Republic, Austria, Cuba, Czechoslovakia, Denmark, Ecuador, Esthonia, France, Germany, Italy, Latvia, Norway, Poland, Portugal, Roumania, Russia and the Ukraine, Sweden and the United States.

The interchange began in London with a series of lectures, and visits to the Ministry of Health, where the participants were received by the Minister and senior officials, and were made familiar with the central organisation and working of the Health Service. This was followed by an observation period of six weeks in the provinces — both in large towns, such as Liverpool, Edinburgh and Cardiff, and in country districts — the participants being divided into groups of four or five. On their re-assembly in London, they were shewn the system of port sanitation, water supply, etc.

The interchange came to an end at Geneva with a series of lectures on the organisation and work of the League and particularly its Health Organisation. Here the participants took an important step towards promoting one of the fundamental purposes of the system of interchanges, namely, the development of international co-operation, by the foundation of an International Society of Medical Officers of Health, of which all medical officers — now over two hundred — who have taken part in the interchanges may become original members. It was decided that the headquarters of the Society should be in Geneva, and that its objects should be : (a) the advancement of preventive medicine and public health administration in their international aspects, (b) the exchange of information on public health matters by members of the Society, (c) the organisation of international conferences and the publication of reports in medical periodicals, and (d) the promotion of the international activities of the Health Organisation of the League.

A provisional committee was elected to draft the constitution and rules of the Society; it is composed of Dr. Salmon (France), Dr. Breger (Germany), Professor Vladimirov (Russia), Dr. Tubiasz (Poland), Dr. Pareja (Ecuador) and a representative of Great Britain to be nominated by the Society of Medical Officers of Health.

### 2. — THE ECONOMIC AND FINANCIAL ORGANISATION

#### a) *The Financial Reconstruction of Hungary.*

*Passing of the Reconstruction Laws. — Work of the League Delegation.* — The Hungarian National Assembly, on April 19th, passed a series of laws dealing with the reconstruction of Hungary. These include the ratification of the Hungarian Protocols; a Bill of Empowerment authorising any Government in office, during two and a half years, to take measures to reduce expenditure and increase revenues without further recourse to Parliament; the ratification of the Statutes of the new Bank of Issue; authorisation to the Government to negotiate a foreign loan of

250 million gold crowns; and the ratification of the agreements with France, Italy and Czechoslovakia on pre-war debts. The Annexes to the Laws contain detailed provisions for the increase of taxation and the reduction of expenditure, and a series of five six-monthly budgets for a reconstruction period ending with budgetary equilibrium in the second half-year of 1926.

The Reconstruction Laws were drawn up by the Hungarian Government in collaboration with a Delegation of the Council composed of Sir Henry Strakosch (Chairman), M. Avenol, M. Bianehini, M. Ter Meulen, M. Pospisil and M. Wallenberg, which was in Budapest from March 4th to 22nd.

In its report, the Delegation states that the budget should be balanced at a figure not higher than 400 million gold crowns, which is equivalent to 50 gold crowns per head of the Hungarian population, and must be regarded as the limit of the country's fiscal capacity. As anticipated in the report of the League Financial Committee, the Delegation realised that it would be impossible to effect considerable reductions in the expenditure total, partly because the Government must progressively resume the service of its large foreign debt, and partly because the salaries of State officials, which have shrunk in value with the depreciation of the crown, must, in the interest of the State, be increased. The half-yearly budgets are, however, drawn up in considerable detail, and, under each heading, a separate item is reserved for expenditure on salaries. The item "other expenditure" shews a progressive decrease.

The Statutes of the Bank of Issue have been modelled on those of the Austrian Bank, but, in view of the agricultural needs of the country, provision has been made for the acceptance of six months' bills for agricultural purposes, so far as this may be consistent with the liquidity of the Bank.

When the Bank is created — it is expected that this will take place in May and that all the initial capital of 30 million gold crowns will be subscribed by the country itself—inflation must cease. Its constitution ensures that it will be independent of all Government and political influence, and its Statutes are designed to make it a bankers' bank, established on sound modern lines.

In accordance with the Protocols, provision has been made in the Statutes for the transfer by the Bank to the Reparation Commission of sums paid by the Hungarian Government in Hungarian crowns. Finally, as contemplated in Protocol 2, Article 13 § 2, the Statutes provide, in Articles 121-127 for the appointment of a foreign adviser, with large powers, during the reconstruction period, and for his re-appointment in the event of a default in the transfer of Reparation payments.

In addition to its main task of approving these two Laws, the Delegation agreed with the Hungarian Government upon interim measures to be taken in the immediate future. It received assurances from the Government that freedom in the exchange and commercial markets would be progressively re-established. In connexion with the note issue, the Government undertook that, pending the creation of the Bank, the total public internal debt of the Government should be limited to 110 million gold crowns.

Finally, a system was established under which the revenues assigned for the service of the foreign loan of 250 million gold crowns provided for by the Protocols to cover the deficit until budgetary equilibrium is reached, would be collected and centralised.

The Delegation's report concludes in the following terms :

The Delegation desires to inform the Council, now that its work is concluded, that it has not encountered any unforeseen difficulty in the execution of its task and that it has full confidence that the work of financial reconstruction in Hungary can be realised on the basis of the arrangements described in the present report.

The Bill of Empowerment, as now submitted to Parliament, will give the Government all the necessary means of putting into effect the necessary reforms.



The budgetary provisions have been established with prudence, and the Delegation does not consider that there should be any reasonable fear that they cannot or will not be realised within the period contemplated. The taxation receipts should be within the taxable capacity of Hungary.

The Statutes of the Bank are satisfactory and should be such as to prevent risk of inflation.

Finally, the arrangements made for covering the deficit during the transition period will, subject to such modifications and adaptations as circumstances may require, give the Hungarian Government the necessary time for the negotiation of the loan.

The Delegation is confident that this work of international co-operation undertaken under the auspices of the League of Nations will be carried out under favourable conditions and will lead to highly satisfactory results for Hungary.

*Appointment of a Commissioner-General.* — The Council of the League has appointed Mr. Jeremiah Smith, of Boston, U. S. A., Commissioner-General of the League at Budapest. Mr. Smith, who has had wide experience of international financial organisations and negotiations and was attached to the American Delegation at the Peace Conference as adviser to the Treasury, left for Budapest immediately after Easter. It will be his duty to supervise the execution of the reform programme in accordance with the conditions laid down in the Protocols.

#### b) *The Financial Reconstruction of Austria.*

According to information received from the Commissioner-General's Office, the progress of the Austrian reconstruction work in March and April shows the following main features.

*Reforms.* — A series of new fiscal laws, tabled by the Financial Minister, was passed by the Austrian Parliament <sup>(1)</sup>. The Government decided to suppress the office of the Economy Commissioner and entrust to a specially appointed official in each of the eight Government department the necessary administrative reforms and demobilisation of superfluous staff. In connexion with the Stock Exchange crisis a decision of the Financial Minister aims at a considerable reduction of the tax on transactions concerning securities. Further efforts of the Government include negotiations for the conclusion of treaties of commerce with Germany and Czechoslovakia.

*Financial Situation.* — The budget estimates for March and April shewed deficits of 0.3 and 2.2 million gold crowns respectively, which have to be covered out of the reconstruction loan. These figures are lower than the average monthly deficit fixed by the League Provisional Delegation for the first six months of 1924. The January and February deficits, 5.5 and 4.9 million gold crowns respectively, which were above the average (3.5 millions) were only authorised by the Commissioner-General on condition that those of the following four months should be below the average.

On the other hand, the expenditure and revenue figures of the March and April estimates are considerably higher than those fixed by the Provisional Delegation for that period. According to the League reconstruction scheme, the budget estimates for 1925 were

Expenditure . . . . .	350 million gold crowns
Revenues. . . . .	489       "       "
Surplus. . . . .	139 million gold crowns

The surplus of 139 million gold crowns was intended to be regarded as a margin of security. In the opinion of the Delegation, the expenditure, and not the revenues, constituted the most important item of the budget. The expenditure figures were based on taxation estimates of 50 gold crowns per head of the population. An annual budget based on the April estimates would shew expenditure of 596 million gold crowns as compared with revenues of 570 millions, resulting in a deficit of 26 millions, and would correspond to taxation of 85 gold crowns a head for the Federal State excluding the autonomous provinces.

Similar conclusions may be drawn from the Treasury accounts for November and December, 1924, which have been forwarded to the Commissioner-General. During these two months the State revenues exceeded the estimates by 45 and 35 milliard paper crowns respectively.

As the budget estimates for 1923 provided for a deficit of 226 million gold crowns and the Treasury accounts for the same period shew a real deficit of 109.6 millions, the total economy realised by the Treasury is 116.4 million gold crowns. This result being due rather to an increase in the State revenues, that is to say in *taxation*, than to a decrease in expenditure, the Commissioner-General fears that the taxation in the present economic circumstances may prove too high and lead to a decrease of the State revenues in future years, and possibly during the present year. For this reason, the Council, at its March session, decided that an inquiry should be made into the normal sources of revenue which might serve as a basis of stabilisation for the Austrian budget.

The most recent balance-sheet of the National Bank shews note circulation of 6,869 milliard paper crowns (477 million gold crowns) with 57.3 % cover in gold reserve and foreign monies (273.5 million gold crowns), current accounts to the amount of 65 million gold crowns, and therefore total commitments of 542 millions with cover of 50.4 %.

The gross yield of the Customs and the Tobacco Monopoly in March was 300 milliard paper crowns (Customs : 116 milliards; Tobacco Monopoly : 184 milliards) or 20.8 million gold crowns. During the four preceding months the figures were as follows :

Tobacco	Milliards paper crowns	Customs	Total
February 1924 . . .	190	126	316
January 1924 . . .	173	181	354
December 1923 . . .	201	107	308
November 1923. . .	178	123	301

The assigned revenues, therefore, reached a culminating point in January, since when they shew a tendency to decrease. As, however, a gross yield of 85 milliard paper crowns (6 million gold crowns) is necessary to carry on the service of the international loan, the revenues are more than sufficient for the purpose.

Bank and Savings Bank deposits continued to increase during the last two months, rising from 56 million gold crowns in March to 58 millions in April.

*General Situation. — Administrative Measures.* — As regards the State personnel, the total number of dismissals rose to 65,530 by April 19th, as compared with 65,089 on March 22nd. According to the reconstruction scheme, the figure of 75,000 should have been reached by December 31st, 1923, and that of 100,000 should be attained on June 30th, 1924.

The number of unemployed, after rising to 126,734 in March (119,369 in February), fell to 106,264 in April (Vienna and suburbs 51,254). During the same period of 1923, 152,830 unemployed received State assistance.

### c) *Third Session of the Committee of Government Experts on Double Taxation.*

The Committee of Government experts which is studying the questions of double taxation and fiscal evasion from practical and administrative points of view

met for its third session in Geneva from March 31st to April 7th. Those taking part were :

M. P. d'Aroma, Chairman (Italy); M. Baudouin-Bugnet (France); M. J. Blau (Switzerland); M. Clavier (Belgium); M. Sinninghe Damste (Holland); Sir Percy Thompson (Great Britain) and Dr. Valnicek (Czechoslovakia).

During the course of the session the Committee received a delegation from the International Chamber of Commerce composed of M. Étienne Clementel (France); Sir Algernon Firth (Great Britain); Mr. J. B. Robinson (United States); assisted by Mr. H. E. McCulloch (Great Britain). This delegation emphasised the gravity of the problem of double taxation and expressed the desire of the Chamber to co-operate, if possible, with the League in studying this question, as it had already done in connection with other economic problems, such as the drawing up of the Conventions on the simplification of Customs Formalities, Arbitration Clauses in Commercial Contracts and Communications and Transit.

The Committee concluded its review of the different categories of taxes and the examination of proposals which might be recommended in connection with double taxation. It prepared the broad lines of decisions whose definite form will be considered at the next session. The Committee will then also pursue its study of the question of fiscal evasion.

### 3. — INTELLECTUAL CO-OPERATION

Meetings of two sub-committee of the Committee on Intellectual Co-operation were held in Brussels at the end of April.

The University Sub-Committee is studying the question of the equivalence in all countries of certain degrees and that of the foundation of an international university. These questions were raised in the first place by the Spanish delegation to the Fourth Assembly and referred to the Committee on Intellectual Co-operation.

The Sub-Committee on Bibliography has to deal with the co-ordination of analytical bibliography on physics and physical chemistry. Representatives of international organisations interested in the question are taking part in the work of the Sub-Committee.

## V. — Protection of Minorities.

### ACQUISITION OF POLISH NATIONALITY <sup>(1)</sup>

The Germano-Polish negotiations on the acquisition of Polish nationality re-opened at Vienna on April 28th, with M. Kaeckenbeek, President of the Upper Silesian Arbitral Tribunal, in the chair.

## VI. — Political Questions.

### QUESTION OF THE FRONTIER BETWEEN POLAND AND CZECHOSLOVAKIA IN THE REGION OF JAWORZYNA

Following upon the Council's decision of March 12th, recommending the adoption of a frontier-line between Poland and Czechoslovakia in the Jaworzyna

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(1) See *Monthly Summary*, Vol. IV, No. 3, p. 62

district traced by the Delimitation Commission, the Conference of Ambassadors has forwarded to the Secretary-General of the League the text of a resolution adopted at its meeting of March 26th.

In this document the Conference announces that it has decided to forward to the Delimitation Commission the text of the Council's resolution and to request that body to instruct the competent commission to prepare protocols safeguarding the economic and transit interests of the communes in the neighbourhood of the frontier, as suggested by the Council. Should the negotiations between the directly interested States not be concluded within a certain period, the questions at issue will be settled by the Allied Commissioners. As soon as the Conference has approved the protocols, the frontier-line will be finally fixed in accordance with the recommendations of the Council.

## VII. — Social and Humanitarian Questions.

### 1. — TRAFFIC IN WOMEN AND CHILDREN

#### a) *First Meeting of the Body of Experts.*

The body of experts appointed by the Council at the request of the Advisory Committee on Traffic in Women and Children to inquire into the conditions under which the traffic is carried on met for the first time on April 1st, in Geneva, under the Chairmanship of Colonel William Snow, Director of the American Bureau of Social Hygiene.

The members, whose meetings lasted a week, drew up a questionnaire to be sent to Governments, asking for any information available as to the methods employed by the traffickers in procuring women and children and sending them abroad, and in evading penalties; as to the immigration of foreign women during the last few years, etc. Plans were also drawn up for expert inquiries to be made on the spot, with the concurrence of the Governments concerned.

#### b) *Third Annual Session of the Advisory Committee.*

The Advisory Committee on the Traffic in Women and Children held its third annual session from April 7th to 12th at Geneva. The meetings, which were public, were attended by the following members :

#### *Government Delegates :*

Mr. S. W. Harris . . . . .	British Empire.
Dr. Estrid Hein (Chairman) . . . . .	Denmark.
M. Bourgois (substitute for M. Regnault) . . . . .	France.
Marquis Paulucci de Calboli . . . . .	Italy.
Mr. Yotaro Sugimura . . . . .	Japan
M. Stanislas Posner . . . . .	Poland.
Mr. N. P. Commène . . . . .	Roumania.
Don Pedro Sangro y Ros de Olano (Vice-Chairman). . . . .	Spain.
Colonel W. Snow (substitute for Miss Grace Abbott). . . . .	United States of America.
Dr. Paulina Luisi . . . . .	Uruguay.

*Assessors appointed by voluntary Associations :*

Miss Baker . . . . .	International Bureau for the Suppression of Traffic in Women and Children.
Mme. Avril de Sainte-Croix. . . . .	International Women's Organisations.
Mlle. Thurler (substitute for Mme. de Montenach). . . . .	Association catholique internationale des œuvres de protection de la jeune fille.
Dr. Dutoit (substitute for Mme. Studer- Steinhauslin) . . . . .	Fédération des unions nationales des amies de la jeune fille.
Mr. S. Cohen . . . . .	Jewish Association for the Protection of Girls and Women.

The principal discussion was on the relation between the system of licensed houses and the traffic in women. Replies had been received to a questionnaire in which States which had recently abandoned the system of licensed houses were asked to give their reasons for so doing, and States where the system still existed were asked to inform the Council whether, in their opinion, such a system facilitated or hindered the traffic. Of these replies seven were of special interest : the Governments of Czechoslovakia, Belgium, Holland and Poland have it as their opinion that the system of licensed houses was a direct cause of the traffic in women; Panama defended state regulation on hygienic grounds alone; Latvia and Denmark stated that they had abandoned licensed houses for reasons other than those connected with the traffic; and the Government of Hungary considered that the severe measures taken to punish procurement in that country prevented the possibility of licensed houses becoming the source of traffic in women. It was decided that the Governments' answers should be incorporated in the report of the session and in this way circulated to all Members of the League.

On a report prepared by the Secretary of the Committee, shewing the progress made since last year, the Committee regarded it as unsatisfactory that, out of the thirty-three States that had signed the Convention of 1921, only eighteen had so far ratified it. It was also felt that the obligation provided for in the Agreement of 1904 to appoint Central Authorities in every country to deal with the traffic in women had not been adequately fulfilled, and the Council was asked to urge the States to correct this omission wherever it existed. It was the opinion of the Committee that the appointment of Central Authorities offered the best means of dealing with cases of traffic, whether discovered or merely suspected, and the recommendation was therefore made that they should communicate with each other freely on all occasions, and that close touch should also be kept between them and the voluntary associations for the protection of women and the Secretariat of the League of Nations.

Further information at the disposal of the Committee consisted of the Annual Report supplied by Governments and copies of their Laws and Regulations concerning the traffic. In the case of the Annual Reports, it was noticed that some of the statements were too vague to be of very much use, and that approximate figures were often given in place of precise statistics. The Committee therefore drew up a revised form of report, the use of which it recommended for the future.

Besides the general reports of the voluntary associations, which gave interesting information on the campaign against the traffic, were special memoranda by these bodies on the question of emigration, together with a summary prepared by the International Labour Office of the Laws and Regulations of the various countries relating to emigration in so far as it concerned the traffic in women and children. A special Committee of the Advisory Committee considered the whole question, and various suggestions for the protection of women travellers were adopted. It was considered, for instance, that investigations regarding the probable

admission of an immigrant should be made at the original point of departure and not only at the port of embarkation; that families should, if possible, not be separated; that recognised societies for the protection of emigrants should be given facilities for boarding ships and entering emigration hostels; that competent women should be employed on ships to care for the interests of emigrant women and children; and that steamships should be asked to authorise the posting of notices giving warning and information to women. At the same time, measures taken should not interfere with the personal freedom of women so as to place them at a disadvantage on account of their sex.

The question of propaganda was raised by the representative for Poland, it was decided that the matter should be placed on the agenda for the Committee's next session, and that the Secretariat should in the meantime prepare a report for the consideration of the Committee.

## 2. — TRAFFIC IN OPIUM

### *Meeting of the Preparatory Committee.*

The third session of the Special Committee appointed by the Council to prepare the programme for the International Conferences on Opium <sup>(1)</sup> was held at Geneva from April 26th to 29th. The Chairman, Mr. van Wettum (Dutch), M. Bourgois (French), Sir Malcolm Delevingne (British) and Mr. Neville (American) were present.

The Committee discussed in detail the various schemes for limiting the production and manufacture of narcotics that had been submitted by the representatives of Great Britain, Holland and the United States. The French proposals will be examined at the next meeting, which is to be held on June 9th.

## 3. — FAMINE IN NORTHERN ALBANIA

Professor E. Pittard, of the University of Geneva, who was recently appointed to administer all funds collected through the League to combat the famine in Northern Albania, has made a preliminary report to the Council of the League.

Professor Pittard states that the famine is concentrated in the districts of Dibra, Kossovo and Scutari. The district of Dibra is being dealt with by an English Committee, which had already started work there before his arrival. In the other two districts 60,000 to 70,000 persons are in urgent need of help, which the Albanian Government, whose resources are very limited, is unable to give. The country, moreover, is suffering from two years of drought, floods and, in the northern districts, a recent invasion of locusts.

In addition to the 50,000 Swiss francs allotted by the Council, the following sums have been received :

Italy. . . . .	500.000 lire
Czechoslovakia . . . . .	£ 500
International Red Cross . . . . .	5.000 Swiss francs
Save the Children Fund. . . . .	£ 600
Roumanian Red Cross. . . . .	10.000 lei
Some American citizens . . . . .	\$ 10.000

Spain has promised 10,000 pesetas and Great Britain £5,000. With this money, amounting to nearly £16,000, Professor Pittard has been able to buy enough maize to supply from twenty to twenty-five kilos a head to a necessitous population of some 60,000 persons in the district of Scutari. In order to make similar provision—the minimum of bare sustenance until next harvest—for the population of the district of Kossovo, and additional 75,000 Swiss francs is required.

1) See *Monthly Summary*, Vol. IV, No. 3, p. 68.

### VIII. — Forthcoming Events.

May 20th : Meeting of the Committee for the Reform of the Calendar, Paris.

June 9th : Fourth session of the Preparatory Committee for the General Conferences on Opium, Geneva.

June 11th : Twenty-ninth session of the Council, Geneva.

June 11th : Meeting of the Financial Committee, Geneva.

June 12th : Twenty-third session of the Governing Body of the International Labour Office, Geneva.

June 16th : Sixth International Labour Conference, Geneva.

The Permanent Mandates Commission, the Temporary Mixed Commission for the Reduction of Armaments and the Committee for the Co-ordination of the Work of the Temporary Mixed Commission and the Permanent Advisory Commission will hold meetings in June. The exact dates will be published in the next issue.

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OF THE

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By Sir WILLIAM ACWORTH, K. C. S. I. assisted by Dr. ROBERT HEROLD,  
Director of the Railway Section of the Swiss Federal Department of Railways Posts and Telegraphs.  
With a Preface by Dr. A. R. ZIMMERMAN Commissioner-General of the League of Nations for Austria

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# MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

## SUPPLEMENT

May 1924

## THE FINANCIAL RECONSTRUCTION OF HUNGARY

### TABLE OF CONTENTS

	Pages		Pages
I. <i>Preface by Sir Arthur Salter, Director of the Economic and Financial Section.</i> . . . . .	2	VIII. <i>Resolutions of the Council of the League dated March 14th, 1924.</i> . . . . .	42
II. <i>Letter of September 29th, 1923, to the Council from the Representatives of Czechoslovakia, Roumania and the Kingdom of the Serbs, Croats and Slovenes</i> . . . . .	13	Resolution I. . . . .	42
III. <i>Resolution of the Council dated September 29th, 1923</i> . . . . .	14	Resolution II . . . . .	43
IV. <i>Decision of the Reparation Commission dated October 17th, 1923.</i> . . . .	14	IX. <i>Report of the Budapest Delegation of the Council of the League.</i> . . . . .	43
V. <i>Report of the Financial Committee to the Council dated December 20th, 1923</i> . . . . .	14	Annexes :	
VI. <i>Documents officially communicated by the Reparation Commission to the League of Nations on February 22nd, 1924.</i> . . . .	30	1. Main provisions of the Law on the Re-establishment of Budget Equilibrium. . . . .	53
1. <i>Letter of February 21st, 1924, from the Reparation Commission to the Hungarian Government.</i> . . . . .	30	2. <i>Letter addressed by the Prime Minister of Hungary to the Chairman of the Delegation of the Council of the League of Nations forwarding drafts of the Reconstruction Law, the law concerning the establishment of the new Bank of Issue and the Statutes of the Bank.</i> . . . . .	57
2. <i>Reply dated February 21st, 1924, from the Hungarian Government to the Reparation Commission.</i> . . . .	31	3. <i>Letter addressed by the Prime Minister of Hungary to the Chairman of the Delegation of the Council of the League of Nations regarding the administration of the assets to be assigned to the service of the reconstruction loan.</i> . . . . .	58
3. <i>First decision, dated February 21st, 1924, excepting specified assets in view of Hungarian loans.</i> . . . . .	31	4. <i>Letter from the Prime Minister of Hungary to the Chairman of the Delegation regarding the Note Issue Office.</i> . . . .	59
4. <i>Second decision, dated February 21st, 1924, as to amount of Treaty charges to be imposed upon Hungary for a period of twenty years.</i> . . . .	32		
VII. <i>Protocols signed on March 14th, 1924, at Geneva</i> . . . . .	35		
Protocol I. . . . .	35		
Protocol II. . . . .	36		

## I. — Preface.

The successful progress of the League's work of reconstruction in Austria has been, not unnaturally, followed by an attempt to achieve a similar result in Hungary.

The most obvious features in the situation requiring remedy—a rapidly depreciating currency and an unbalanced budget—were the same; and the main lines of the scheme for Hungary are, as will be seen, also identical with those tried and found effective in Austria.

There are, however, important differences both in the problem presented and in some aspects of the solution proposed.

The new Austria is essentially a financial and industrial country. More than three-quarters of its population derive their living from finance, trade, and industry; less than a quarter from agriculture. The greater part of both her food supplies and her raw materials requires to be imported from abroad. The effects, therefore, of the loss of the external purchasing power of her currency were particularly rapid and disastrous. In Hungary the proportions of those engaged in finance, trade, and industry on the one hand and agriculture on the other are reversed. The great majority of her people live on the land, and in the prime necessities of life she is more than self-supporting. This fundamental difference, combined with other causes, retarded the fall of the Hungarian crown. In September 1922, when the fall of the Austrian crown was arrested, the Hungarian crown possessed 32 times its value. For a long time it was indeed hoped that Hungary could recover by her own efforts. But the wastage and disorganisation caused by the war and the revolution, the liability to an unassessed reparation debt, the weight of other external obligations, the political and economic relations with her neighbours, and the continuance of an administration formed in more prosperous days, drove her inevitably down the same slope on which Austria had fallen more rapidly. Her receipts from taxation became less and less adequate for her expenses; her crown lost in value.

External action was deferred partly because the need was less urgent than Austria's and partly because, in one respect, the difficulties were greater. There were still, in the first half of 1923, many unsettled questions under discussion between Hungary and her neighbours, and some apprehensions as to future political relations. An improvement in the political situation was an essential preliminary of combined international action.

### COURSE OF THE NEGOTIATIONS.

In the early part of 1923 it was apparent that the Austrian scheme was proving successful and that Hungary's efforts to stabilise her currency without the aid of an external loan were doomed to failure. The possibility of a similar scheme for Hungary began to be tentatively discussed.

On April 22nd, 1923, the Hungarian Government made a formal request to the Reparation Commission to lift the charges on her assets imposed under Article 180 of the Treaty of Trianon so as to leave them free as security for an external loan. The Commission by a majority decided, while not opposing the request in principle, to give the release only in respect of definite loan schemes which must be previously submitted to it and must include the allocation of a definite part of any loans raised to reparation.

The Hungarian Government in the next few months sounded the more important financial markets and found that the negotiation of a loan under these conditions was impracticable.

In the meantime, in July, a conference of Roumania, the Kingdom of the Serbs, Croats and Slovenes, and Czechoslovakia at Sinaia considerably improved the political position between Hungary and her neighbours and indicated some prospect that the conditions previously communicated to Hungary might be so modified as to make a loan possible.

At the ensuing meeting of the Assembly of the League of Nations in September, advantage was taken of the presence in Geneva throughout the month of fully authorised representatives of all the countries interested to improve the political conditions still further. A considerable number of difficult questions which had long been in dispute between Hungary and her neighbours were quietly and fully discussed between Count BETHLEN, on the one hand, and Dr. BENES, M. TITULESCO, and M. NINCHITCH on the other. A number were settled; others were placed in the way of settlement. By the end of the month such progress had been made that the Council, enlarged for the purpose by the addition of representatives of Hungary, Czechoslovakia, Roumania and the Kingdom of the Serbs, Croats and Slovenes, on the proposal of the representatives of the last three countries (see letter — Document III), felt able to accept a conditional responsibility for a scheme of reconstruction. If the Reparation Commission should invite the League, the Secretariat and the Financial Committee were authorised to undertake any preparatory work necessary to enable the Council to consider a definite scheme at its next meeting in December (see Resolution — Document III).

On October 17th, the Reparation Commission sent the invitation so envisaged. It declared its readiness in principle to raise the charge on Hungarian assets and revenues in order to allow the financial reconstruction of Hungary in collaboration with the League and invited the League to draw up a scheme. The Commission reserved its final decision till it should have seen the scheme (see decision — Document IV).

The preparatory work began with a visit of M. AVENOL, Sir Arthur SALTER, and M. STOPPANI, on behalf of the League (with the collaboration of M. BOUNIOLS, of the Finance Service of the Commission), to Budapest from November 6th to 17th. The main outlines of the financial and economic position of Hungary were then examined, and the statistical information necessary for the elaboration of a scheme was obtained. Particular care was taken, by means of a large number of interviews not only with members of the Government but with representatives of all parties and classes, to obtain impressions as to public opinion and the wishes and views of the Hungarian people.

A meeting of the Financial Committee followed immediately afterwards in London from November 20th to November 28th. The Committee (composed of M. JANSSEN, M. BIANCHINI, M. NIEMEYER, M. PARMENTIER, M. POSPISIL, M. SEKIBA, Sir Henry STRAKOSCH, M. TER MEULEN) not only had the information and recommendations of the above members of the Secretariat but had the advantage of the presence of an influential delegation sent by the Hungarian Government, including the Minister of Finance (Dr. DE KALLAY), the Minister of Commerce (Dr. WALKO), two ex-Ministers of Finance (M. POPOVICS and M. TELESKY), the Hungarian Minister in Paris (Baron KORANYI), and the Under-Secretary of State for Agriculture (Dr. SCHANDL). At this meeting the scheme of reconstruction was drawn up and agreed in detail by all members of the Financial Committee. The only point left for later consideration was the difficult one of what limit upon reparation payments was necessary if the raising of the loan, or the execution of the scheme, was not to be rendered impracticable by too heavy a prospective, or actual, burden upon the Hungarian budget and currency.

This scheme was presented to the Council at its subsequent meeting at Paris, December 10th to December 20th. The Council appointed a Sub-Committee consisting of the British, French, Italian, Czechoslovak, Roumanian, Serb-Croat-Slovene and Hungarian representatives (hereafter termed the "Hungarian Committee") to follow the question. The Financial Committee met again simultane-



ously at Paris and arrived at agreement on the one question (as to reparation) previously left unsettled (see paragraph 10 of the Report). The Council accepted the Report of the Financial Committee (see Document V) and the scheme contained in it and ordered its immediate publication. After certain subsidiary but difficult questions had been settled by a further meeting in London of the Hungarian Committee on January 16th, the scheme was officially transmitted to the Reparation Commission as the League's definitive scheme.

Meanwhile, the way was cleared for the signature of the Protocols by the signature of agreements on certain outstanding questions between Hungary and the Kingdom of the Serbs, Croats and Slovenes and Roumania.

On February 21st, the Reparation Commission (see Document VI) raised the liens on Hungary's assets under the conditions required by the scheme.

At the meeting of the Council from March 10th to 15th at Geneva, the Protocols were signed by the countries concerned (see Document VII), and the Council accepted responsibility for proceeding with the scheme (see Document VIII).

In the meantime, a Delegation of the League visited Budapest and worked out the detailed programme of budget reform, agreed with the Government as to the terms of the legislation providing *pleins pouvoirs* to put this programme into effect and arranged for the establishment of the Bank of Issue.

At the same time, negotiations were begun and are progressing successfully with the countries holding Relief Bonds (France, Great Britain, Sweden, Norway, Denmark, Switzerland, Netherlands, United States of America) to postpone the prior charge they had upon Hungary's assets for relief credits in favour of the new loan.

Lastly, the Council appointed Mr. J. SMITH, of Boston, U.S.A., as Commissioner-General.

#### THE RANGE OF THE NEGOTIATIONS

This long series of international meetings and conferences reflects the intricacy of the negotiations requiring to be successfully concluded before combined action was possible. The elaboration of a technical scheme of reconstruction, and even its unanimous acceptance by international experts, was the least part of the task and the most rapidly accomplished. Political conditions between the seven countries directly participating in the scheme had to be such as to involve an active and positive desire to restore Hungary and place her finances and economic life on a sound basis. This in turn involved the settlement in a few months of intricate disputes in which all attempt at agreement throughout years of negotiation had failed. The exact assessment of reparation and other Treaty claims for a period of twenty years, towards which again no substantial progress had been made in four years of study and discussion, was equally necessary. In addition, negotiations with eight countries were needed to secure the postponement of the prior liens of the Relief Bonds. And, lastly, the scheme required to be worked out into the intricate detail of a budget and translated into the form of Hungarian legislation. For negotiations so important in their results, so intricate in their character, so involved with the separate policies and interests of so many countries, a period of six months was not excessive.

It is indeed one of the most valuable results—though an incidental one—of the reconstruction scheme that it has afforded an opportunity, an impetus and a limit of time for the settlement of many questions which had for years been troubling the relations of Hungary with other countries.

#### THE GENERAL CHARACTER OF THE PROBLEM AND ITS SOLUTION

In the forefront, therefore, was the political position of Hungary and her neighbours—the key not only to this problem but to the peace, stability, and ordered

economic development of an important and central part of Europe. Not only have the negotiations already substantially improved this position but the scheme itself affords safeguards for the future. At its basis—as of the Austrian work—is a political Protocol (Protocol I, Document VII). It is signed by Great Britain, France, Italy, Czechoslovakia, Roumania, the Kingdom of the Serbs, Croats and Slovenes and Hungary. It includes a solemn undertaking on the part of all these countries to “respect the political independence, the territorial integrity, and the sovereignty of Hungary”, to avoid any attempt “to obtain any special or exclusive economic advantage calculated directly or indirectly to compromise that independence”, and a further engagement to accept the decision of the League on any question that may arise. Moreover, Hungary undertakes to observe strictly and loyally the obligations of the Treaty of Trianon, in particular, the military clauses, and has accepted a provision in the control which affords an additional safeguard in this respect.

The more technical problem, and the main lines of its solution, are thus described by the Financial Committee :

“The Hungarian problem (like the Austrian) is partly financial and partly economic.

“The budget has been unbalanced. Expenses have exceeded receipts. The deficit has been met by inflationary methods. The crown has fallen in value. This fall has, apart from its other consequences, increased the deficit itself by reducing the real value of taxation receipts, and, at the same time, has deprived Hungary of a basis on which her economic life could develop; and the situation has thus proceeded in the vicious circle so familiar in the financial history of Europe during the last few years.

“At the same time, the trade balance of Hungary has been seriously adverse, largely perhaps, but not wholly, as a result of the falling exchange.

“Hungary cannot, of course, be in a sound situation until both her budget and financial position and also her trade balance are satisfactory. She must not only meet her public expenditure by taxation but she must produce (and dispose of) as much as she consumes.

“Before this double problem, financial and budgetary on the one hand and economic on the other, the League must clearly limit and define its role.

“The Financial Committee has no hesitation in recommending that, as in the case of Austria, any financial operations for which the League undertakes any responsibility should be definitely and expressly limited to remedying the budgetary, and therefore the financial, position. The scheme recommended below is essentially one to enable the fall of the crown to be at once arrested and its value maintained; it contemplates a balanced budget after a limited period of reform; and it proposes a loan for the purpose — and the sole purpose — of covering the deficit during this period. It is true that the Hungarian trade balance needs improving; but the necessary economic adaptation must be effected by Hungary herself. The essential contribution of the proposed scheme is to give a stable basis on which this adaptation can take place. It is true that the country needs liquid capital for the purpose of developing its national resources. But this capital must come not by means of a loan to the Government secured on national revenues but through natural and private channels under the attraction of the economic prospects of Hungary. The contribution the scheme makes is to offer stability and security in the financial basis of the country, which will allow these prospects of economic development to have their full attractive force to foreign capital. It follows incidentally from this fundamental conception that the shorter the period within which budget equilibrium can be

attained, and the smaller the amount of foreign money which must be devoted to this limited but primary object, the quicker and better are the prospects of capital flowing in through private channels to assist in Hungary's economic restoration and development.

"This is not to suggest that the Committee considers the economic restoration as of secondary importance, nor even that the League itself can do nothing to assist it.

"On the contrary, no purely financial scheme can save the situation unless, as may be hoped, it forms the basis on which the country's economic life will develop; and one cardinal feature of this is the freer interchange of goods between Hungary and her neighbours, in the arrangement of which the League can perhaps give valuable assistance. This is, however, outside the direct sphere of competence of the Financial Committee and not an actual part of the financial scheme here proposed.

"We propose to refer again to the economic question (see page 27). For the moment we confine ourselves to one general remark. In the case of Austria, there were fears—happily to all appearance disproved by later events—that Austria, within the frontiers defined by the Treaty of St. Germain, was essentially not "viable". In the case of such a country as Hungary, with its rich natural resources and self-sufficiency in food, the position is entirely different. Adaptations may be—will be—required. An economic policy adjusted to her conditions must be adopted. Some changes in her economic life may well develop. Great improvements in the facilities for foreign trade are required. But all these things are possible, and all will be facilitated by financial stability.

"Starting with this general conception, the Committee unanimously recommends the following scheme as best adapted both to the needs of Hungary and to the practical possibilities of external assistance.

"Its principles in main outline may be summarised as follows :

"i. The stoppage of inflation with a view to the *stabilisation* of the Hungarian crown, this being assisted by :

"ii. An independent *Bank of Issue* enjoying the monopoly of note issue;

"iii. The *balance of the budget* by June 30th, 1926, so that thereafter current expenses will be met by taxation without recourse to either inflation or loans;

"iv. A *reconstruction loan*, secured by specific Hungarian revenues, to cover the deficit till June 1926, so that inflation may be stopped without waiting till the budget is balanced (which could probably never be achieved while inflation was still in progress);

"v. A control through a Commissioner-General appointed by, and solely responsible to, the Council of the League, for the purpose of ensuring the due execution of the whole programme.

"The success of the scheme so outlined requires :

"vi. Satisfactory *political relations* between Hungary and her neighbours;

"vii. Suitable arrangements with regard to her *external obligations*, particularly relief credits and treaty charges.

"And, to be ultimately successful, the scheme requires to be supplemented by :

"viii. *Economic restoration and development* and all the measures required to assist it, in particular, commercial agreements with neighbouring countries."

A loan is therefore required to meet the deficits during the two and a-half years ending June 30th, 1926. The amount of the loan needed for this purpose is estimated at 250 million gold crowns.

How is this loan to be secured?

The Financial Committee considers that governmental guarantees, as provided for the Austrian loan, should not be required :

“For Austria they were necessary because by September 1922 Austria's financial position (combined with her dependence upon imported food and raw materials) was such as to present a real risk of social disorder developing to a point at which it would destroy the value of any securities she could offer. Moreover, the efficacy of League control was untried and unknown; and the recuperative power of a country when given the support of currency reform was equally a matter of conjecture. The position of Hungary to-day is very different. Her budget is by no means in so desperate a condition. The disorganisation of her economic life measured by the depreciation of the currency is considerably less; her natural resources (particularly her self-sufficiency in food) afford a more solid basis; her agricultural population does not present the risks feared for the industrial population of Austria. Above all, perhaps, we have the proved results of the Austrian experience : the astonishing increase both in the value of the assigned revenues and the general economic and financial recovery that have resulted from stabilisation and control.

“We therefore propose that the loan shall be secured on certain assigned revenues of the Hungarian State, with the provision that additional revenues shall be assigned if necessary, and the whole reinforced by the scheme of comprehensive reform and control described in this report. Before referring in detail to the assigned revenues, we wish to make it clear beyond any possibility of misunderstanding that we regard their value as dependent upon the adoption of the *whole* scheme, which must be regarded as an interdependent entity.”

There are therefore two classes of revenue available as security for the loan.

I. Revenues to be immediately assigned :

- (a) Customs receipts (gross receipts),
- (b) Tobacco monopoly (gross receipts),
- (c) Salt monopoly (net receipts),
- (d) Sugar tax (net receipts).

The Financial Committee states that, on a conservative estimate, it considers that these revenues should give 50 million gold crowns per annum, or, taking only the *net* tobacco receipts, 36 million gold crowns (1).

II. Additional revenues to be assigned if necessary.

In addition provision is made for *any* further revenues (with the exception of railway receipts) to be assigned if necessary. 6

All the revenues (both those immediately assigned and those which may be assigned if necessary) will be clear of all prior liens both in respect of reparation and relief bonds, so that the reconstruction loan has a clear prior charge on all the revenues of Hungary (except those of the railways).

---

(1) Since this estimate was made, the returns of the revenues for the first quarter of 1924 have become available. They show a yield of 21.3 million gold crowns, i.e., at the rate of 85.2 million gold crowns per annum, as compared with the original conservative estimate of 50 millions.

The assigned revenues will (as in the Austrian case) pass directly into the hands of a Commissioner-General appointed by the League, and, when his tenure has terminated, of a controlling authority adequately representing the interests of the bondholders. This controlling authority will retain all the sums necessary for the service of the loan (with such margin of reserve as may be arranged), and the remainder only will be handed to the Hungarian Government. But the Committee estimate that even from the revenues immediately assigned a considerable balance should be available to be so handed over.

The amortisation period will not exceed twenty years; and provision is made by which a special amortisation fund may reduce this to fifteen years.

The revenues will be controlled until the debt is completely discharged, the control being effected through arrangements made in agreement with the Trustees appointed to represent the interests of the bondholders.

#### PROVISION AS TO TREATY CHARGES

In the Austrian scheme no direct provision was made for payments in respect of Treaty obligations. A clear first charge on all Austrian revenues was given in favour of the reconstruction loan; but no specific provision, beyond this waiver of priority, was made in respect of reparation. Two facts, however, made this equivalent to relieving lenders and those interested in the reconstruction plan of any anxiety that the scheme would be endangered by demands on the budget for reparation payments. In the first place, Austrian relief bonds enjoyed, and continued to enjoy, a prior charge over reparation and therefore constituted a barrier between the Austrian budget and reparation demands, and a very effective barrier, since the bonds amounted in value to some £25 million. In the second place, the loan was guaranteed by the countries whose representatives as members of the Reparation Commission could alone make reparation demands; and it was not to be anticipated that they would make such demands as might have the result of bringing the guarantees into operation. Neither of these safeguards existed in the Hungarian case. The relief bonds—though they similarly retain their priority over reparation—amount in value to only a little over £500,000. And the loan is not guaranteed by the Governments.

It was necessary, therefore, to determine very exactly the limits within which reparation demands could be considered as consistent with the due execution of the reconstruction scheme and the security of the loan; for it is obvious that an effective and enforced obligation to make excessive external payments might prevent the attainment of budget equilibrium or render its continuance impossible, and so in time both entail new inflation and even perhaps in the end endanger the security of the loan. It was certain, in any case, that lenders would require to be absolutely assured of the position for the whole period of the currency of the loan.

The consequent negotiations with the creditor countries and the Reparation Commission were among the most delicate requiring to be brought to a successful conclusion before the scheme could be unanimously ratified.

The arrangement arrived at may be briefly summarised :

(i) The total demands in respect of Treaty payments (except those which are not imposed but only regulated by the Treaty, *i.e.*, pre-war debts), including not only reparation but restitution, costs of armies of occupation, armistice obligations, etc., are limited for a period of twenty years to an annual average of 10 million gold crowns.

(ii) During the actual reconstruction period, there are to be no reparation payments with the exception of certain limited coal deliveries which were already being made and for which provision was already included in the budget.

(iii) In the years immediately after the reconstruction period the payments due are to be substantially less than the average.

(iv) At any time during the currency of the loan, a Commissioner-General is to be in office if budget equilibrium is in danger, and while he is in office no reparation payments can be made except with his assent, *i.e.* except when he judges that they are possible without preventing the execution of his primary work, the establishment of budget equilibrium and maintenance of the security of the loan.

The Trustees representing the bondholders have the right to ask the Council to appoint a Commissioner-General with these powers whenever they can show that the equilibrium of the budget and the security of the loan is threatened.

(v) The reparation payments are made in Hungarian crowns. They can only be converted into foreign exchange so far as such conversion is compatible with the maintenance of the exchange value of the crown.

(This principle has been subsequently adopted in the Report of the Committee of Experts for German reparation.)

Apart from these special safeguards, Hungary has the advantage of a definite fixation for twenty years (whether or not the loan may have been amortised before then) of all her Treaty obligations at an inclusive average annual sum equivalent only to *one shilling per head of the population*. How moderate is this charge upon her budget is shown by the fact that the payment recommended by the experts for Germany in the standard year (which is subject to increase, as the Hungarian payment is not, in accordance with an index of prosperity), *viz.* 2 ½ milliard gold marks, is equivalent to *41 shillings per head of the population*.

#### CONTROL AND ORGANISATION

The main principles of the control are identical with those found effective in Austria.

The main principles of the reform scheme having been defined in the Protocols signed by the seven countries specially interested, and a detailed programme having been elaborated by a committee of the international experts (the members of the Financial Committee), the *execution* is entrusted to a single officer of "disinterested" nationality, acting in collaboration with the Hungarian Government.

This officer, the Commissioner-General, is Mr. J. SMITH, of Boston, U. S. A.

He will take the Protocols and the programme of reform agreed between Hungary and the League Delegation as his instructions. It will be his duty to see that they are duly executed and that stable budget equilibrium is attained by June 1926. He will have in his hands the proceeds of the loan (the only source from which budget deficits can be met during the reform period, as inflation will stop definitely with the creation of the New Bank); and he will make transfers from this fund conditional upon the due progress of reform. So long as progress is up to the programme, his control will be general in character. If it lags behind, the control will extend to detailed criticism and demands in regard to details of expenditure and of the taxation system. He will also have in his hands the proceeds of the assigned revenues, which will pass first and directly into an account from which nothing can be drawn except on his authorisation. He will first withhold from these revenues the payments due for the service of the loan (with any margin as reserve that may be arranged) and hand over the balance only to the Hungarian Government.

As there are no governmental guarantees, there will be no "Committee of Control of the Guaranteeing Powers" as in the case of Austria; but a "Committee of Control", named by the Reparation Commission, will give the countries directly

interested an opportunity of watching the progress of the work. This Committee will have powers of requiring information, of making representations and giving advice, and in certain cases of demanding the reappointment of a Commissioner-General after the first appointment has terminated. It cannot, however, interfere with or block action. It will meet, from time to time, outside Hungary; and it will not communicate with the Hungarian Government except through the Commissioner-General or the Council of the League.

Trustees representing the bondholders will also be appointed. It is contemplated that the revenues assigned to the loan will be controlled, when the Commissioner-General is not in office, under a system directed by them.

An adviser to the Bank of Issue will be appointed on the nomination of the Commissioner-General.

The offices of the Commissioner-General and of the Adviser will be determined when the Council of the League has ascertained that the financial stability of Hungary is assured.

But the Council may re-establish the full control, including the Adviser to the Bank, if the equilibrium of the budget, or the continued value of the securities of the loan, is endangered at any time during the currency of the loan.

#### REPORT OF THE DELEGATION

The Delegation (1) appointed by the Council, in accordance with Protocol II, to collaborate with the Hungarian Government in framing the detailed programme of reforms worked in Budapest from March 4th till the 22nd.

The Delegation agreed with the Government upon the text of a Reconstruction Law which was to be at once submitted to Parliament (and which has in fact since been duly passed).

This law includes the ratification of the Protocols, gives full power to any Government in power in the period of reconstruction to carry out the programme without further recourse to Parliament; and its annexes (which equally form part of the law) contain the detailed provisions agreed with the Delegation for the increase of taxation and reduction of expenditure, and a series of five six-monthly budgets ending with equilibrium in the second half of 1926.

The Delegation considered that the budget should be balanced at a figure not higher than 400 million gold crowns. This is equivalent to 50 gold crowns per head of the population, which the Delegation considered a prudent estimate of the country's fiscal capacity. As had been anticipated in the Financial Committee's report, the Delegation found it impracticable to make a *net* reduction in expenditure, economies being offset by the progressive resumption of the service of Hungary's foreign debt and by some inevitable increase in rates of salary which had shrunk in value to an impossible level. The budgets are drawn up in considerable detail; under each heading expenditure on salaries has been distinguished from "other expenditure"; and it will be observed that the items of "other expenditure" show progressive decreases.

The Statutes of the Bank of Issue have been modelled on that of the Austrian Bank, with a modification, in view of the agricultural needs of the country, permitting under careful safeguards the acceptance of six-months bills. It is expected that all the initial capital of 30 million gold crowns will be subscribed in Hungary itself. The Bank is to open early in June, when all inflation will definitely cease. Its constitution assures that it will be independent of all Government or political influence. Apart from its monopoly of note issue, the Bank will be essentially a

(1) The Delegation consisted of Sir Henry STRICKOSCH (Chairman), M. AVEROL, M. BRANCHINI, M. TEF MEULEN, M. FORTIER, M. WALLENIER, M. JENSEN and Sir Arthur Selver, who had also been appointed members of the Delegation, were prevented by other duties from visiting Budapest in March.

"bankers' bank", working on sound and tried principles. The Statutes further provide for the appointment (on the nomination of the Commissioner-General) of an Adviser with wide powers during the reconstruction period and for his reappointment in the event of the re-establishment of the general control.

In addition to this main task of approving these two laws, the Delegation agreed with the Hungarian Government upon interim measures to be taken in the immediate future. It received assurances from the Hungarian Government that freedom in the exchange market and in the commercial markets would be progressively re-established. As regards the note issue, the Government undertook (see Document IX, Annex 4) that, pending the creation of the Bank of Issue, the total public internal debt of the Government should be limited to 110 million gold crowns. (Thereafter, of course, the statutes of the Bank effectively prevent inflation).

Finally, a system was set up under which the revenues assigned for the service of the loan would be collected and centralised.

The following extract from the conclusion of the report of the Delegation shows that its work in Budapest gave it a favourable opinion as to the future success of the scheme.

"The Delegation desires, at the conclusion of its work, to inform the Council, that it has met with no unexpected difficulty in the execution of its mandate and that it is confident that the financial reconstruction of Hungary can be effected on the basis of the provisions suggested by the Delegation which form the subject of the present report.

"The Full Powers Law as at present submitted to Parliament will furnish the Government with all the necessary means for carrying out the essential measures or reforms. The budget estimates which are summarised in Annex (b) of the Full Powers Law have been carefully prepared and the Delegation has no reason to fear that they will not be realised.

"The estimated revenue is not in excess of what may be expected on a moderate estimate of the fiscal capacity of the country. The draft provides for a sufficient margin of security in the utilisation of the loan funds.

"The Statutes of the Bank are satisfactory and provide full guarantees against any risk of inflation. The financial measures contemplated to cover the deficit during the period of transition will, subject to such modifications and adaptations as circumstances may require, give the Hungarian Government the necessary time for the negotiation of the loan.

"The Delegation is confident that this work of international co-operation undertaken under the auspices of the League of Nations will be carried out under favourable conditions and will lead to most highly satisfactory results for Hungary."

Since the departure of the Delegation, its programme has been faithfully followed. The Reconstruction Law and the Law establishing the Bank were voted by the Hungarian Parliament on exactly the day contemplated, April 17th, and the special accounts for the loan proceeds and the revenues assigned to the service of the loan were opened immediately afterwards. In order to meet its needs in foreign exchange during the intermediate period before the proceeds of the external loan are available, the Government has obtained an advance of 20 million Swiss francs from Hungarian Banks and industrial groups. Arrangements have also been made to secure the capital of the new Bank from Hungarian resources. The country has thus shown its confidence in the future and its desire not to depend solely on foreign aid for its recovery. The crown has during this same period remained stable, and the foreign exchange required has proved less than the Delegation had estimated.



## SECURITIES OF THE LOAN AND OF THE SCHEME

It may be convenient, in conclusion, to summarise briefly the series of safeguards provided for the loan and the reconstruction scheme :

(i) The scheme has been modelled, with appropriate modifications, on the successful experience in Austria.

It is based on a political Protocol designed to assure political stability and good relations, signed by the seven countries chiefly interested; and on a financial Protocol signed by Hungary, based on the unanimous recommendations of the Financial Committee and approved and agreed by all the seven countries.

The scheme has also been accepted by the Reparation Commission, whose decisions limit the demands on Hungary for 20 years to the sums contemplated in the scheme.

(ii) The revenues assigned immediately to the loan are, on a conservative estimate, such as to give an ample margin over the sums required for the service of the loan.

(iii) Additional revenues will be assigned if necessary; for this purpose all the revenues of Hungary except the railway receipts are available.

(iv) All the revenues, both those immediately assigned and those to be assigned later if necessary, will be clear of all prior or equal charges.

(v) The revenues will be effectively controlled till the loan has been completely repaid (See (x).)

(vi) The new Bank of Issue, independent of the Government, with its Statutes approved in detail by the League Delegation and with its Adviser, will assure the stabilisation of the currency.

(vii) The detailed reform programme has been worked out in complete agreement with the League Delegation, and, in the unanimous opinion of the Delegation, is such as to secure the balancing of the budget on a stable basis.

(viii) The Commissioner-General appointed by the League has both the loan and the assigned revenues in his hands and has thus effective control over the Hungarian budget. It is his duty to secure equilibrium and maintain it, and the funds in his hands give him the necessary power.

(ix) Trustees, named by the Council, will watch the special interests of the bondholders.

(x) The assigned revenues will at all times be effectively controlled. And the full control of the budget may be reimposed at any time during the currency of the loan.

The preparatory work has now been completed. The scheme has been drawn up and agreed by the seven countries chiefly interested including Hungary. The Reparation Commission has waived its rights so as to give the reconstruction loan a clear first charge on all the revenues of Hungary required as security. The Commissioner-General has been appointed. The programme of reform has been worked out in detail and incorporated with the Protocols in Hungarian law. All steps have been taken to stop inflation and to found the new independent Bank of Issue, which will begin to function early in June. The necessary measures to secure financial reserves in the meantime have been taken by means of an internal effort by Hungary herself.

The next stage is the floating of the external loan, which is of course vital to the execution of the scheme. With it the League Delegation is confident that the

financial reconstruction of Hungary can and will be accomplished, and that the stability and comparative prosperity already secured for Austria can be extended to her neighbour.

April 29th, 1924.

J. A. SALTER.

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## II. — Letter to the Council from the Representatives of Czechoslovakia, Roumania and the Kingdom of the Serbs, Croats and Slovenes.

Geneva, September 29th, 1923.

We have the honour to inform you that, during the past weeks, conversations have taken place at Geneva between the representatives of the undermentioned countries regarding the financial reconstruction of Hungary.

As these conversations are continuing, it is possible that, after the close of the present Council session and before the December meeting, the Reparation Commission may decide to ask the League of Nations to undertake the work involved in preparing a scheme for the financial reconstruction of Hungary, to be drawn up in consultation with the countries concerned.

With a view to securing such an agreement, negotiations will take place between the countries concerned, both on questions relating to guarantees and control and on the reciprocal postponement of payments, and also on any other questions which may be suggested to the parties concerned by an agreement of this nature.

As, however, the Financial Committee of the League of Nations cannot take up questions concerning the financial reconstruction of Hungary without previous authorisation from the Council, the undersigned representatives of Czechoslovakia, of Roumania, and the Kingdom of the Serbs, Croats and Slovenes have the honour to propose, should such an invitation be received from the Reparation Commission, that the Council should authorise the Financial Committee and the Secretariat to begin the preliminary work and to undertake the necessary enquiries with a view to drawing up, in consultation with the undermentioned States and the other countries concerned, a scheme for the financial reconstruction of Hungary.

This scheme will come before the Council of the League of Nations for consideration, and we have the honour to request the Council to decide that, at the meetings of the Council concerned with the financial reconstruction of Hungary, the representatives of Czechoslovakia, Roumania, and the Kingdom of the Serbs, Croats, and Slovenes should be permitted to sit as Members of the Council.

Accordingly, if agreement is secured between the States concerned and if the Council, including the representatives of those States, approves the scheme thus drawn up, the latter will be communicated to the Reparation Commission for its subsequent decisions.

(Signed) EDWARD BENES.  
F. TITULESCO.  
M. YOVANOVITCH.

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### III. — Resolution of the Council of the League dated September 29th, 1923.

In the event of the Reparation Commission communicating in the near future with the League of Nations and inviting it to co-operate in a scheme for a loan for the financial reconstruction of Hungary, the Council decides to authorise the Secretariat and the Financial Committee to further any preparatory work which the Reparation Commission may think should be undertaken, with a view to permitting the Council to consider, at its next session, the conditions under which the loan may be carried into effect.

At meetings of the Council which are concerned with this question, Czechoslovakia, Hungary, Roumania, and the Kingdom of the Serbs, Croats and Slovenes will be invited to sit as Members of the Council; decisions will be taken by a unanimous vote of the Council thus constituted.

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### IV. — Decision of the Reparation Commission dated October 17th, 1923.

The Reparation Commission, being ready in principle to contemplate at a later stage the raising of the charge on certain assets and revenues of Hungary in order to allow the financial reconstruction of Hungary with the collaboration of the League of Nations, invites the League to draw up a plan with this object in agreement with the countries concerned and appoints M. Bouniols as representative of the Finance Service of the Reparation Commission to collaborate with the Secretariat of the League when the latter proceeds with the preparatory work. The plan would include a supervision by the League of Nations, with which the States holding claims against Hungary would be associated, by means of a committee the members of which would be appointed by the Reparation Commission. It is understood that, after this plan has been transmitted by the League of Nations, it will be examined by the Reparation Commission with a view to taking the necessary decisions. It is further understood that, although it is contemplated that the first loan may be given a priority over reparations, the arrangement should not exclude the possibility that the proceeds of a later loan may be devoted wholly or partially to reparations.

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### V. — Report of the Financial Committee

*submitted to the Council on December 20th, 1923.*

*Covering Note from the Chairman of the Financial Committee.*

Sir,

Paris, December 20th, 1923.

I have the honour to transmit the final text of the Report of the Financial Committee which was required under the Decision of the Council dated September 29th last concerning the financial reconstruction of Hungary.

The text has been adopted unanimously by the members of the Committee present at the session, *viz.* M. Janssen, M. Niemeyer, M. Parmentier, M. Bianchini, M. ter Meulen, M. Pospisil, M. Sekiba, Sir Henry Strakosch and M. Wallenberg.

I have, etc.

(Signed) Alb. E. JANSSEN,  
*Chairman of the Financial Committee.*

The President of the Council  
of the League of Nations.

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## REPORT

In accordance with the authority given by the Council Resolution of September 29th (made operative by the Reparation Commission Decision of October 17th), the Financial Committee has studied the question of the financial reconstruction of Hungary at its twelfth session in London (November 20th to 28th) and at its thirteenth session in Paris (December 12th to 20th).

Members of the Secretariat, in accordance with the same authority, had first visited Budapest (accompanied by M. Bouniols of the Finance Service of the Reparation Commission) from November 6th to 16th to undertake the necessary preliminary work.

The Committee has had the advantage both of the results of the work of the Secretariat at Budapest and also of direct discussions with an authoritative Hungarian delegation including the Minister of Finance (Dr. de Kallay), the Minister of Commerce (Dr. Walkó), two ex-Ministers of Finance (M. Popovics and M. Tellezsky) and the Hungarian Minister in Paris (Baron Koranyi) and the Under-Secretary of State for Agriculture (Dr. Schandl).

During its thirteenth session, held in Paris, the Financial Committee has heard the same Hungarian delegation, and also Count Bethlen, Prime Minister of Hungary. Finally, in conformity with the decision of the sub-committee of the Council of the League of Nations on Hungary, it has collected the observations and suggestions of the representatives of Roumania, the Kingdom of the Serbs, Croats and Slovenes and of Czechoslovakia.

On the basis of the information which it has been able to collect, the Financial Committee presents the following report : .

### I

The Hungarian problem (like the Austrian) is partly financial and partly economic.

The budget has been unbalanced. Expenses have exceeded receipts. The deficit has been met by inflationary methods. The crown has fallen in value. This fall has, apart from its other consequences, increased the deficit itself by reducing the real value of taxation receipts, and, at the same time, has deprived Hungary of a basis on which her economic life could develop; and the situation has thus proceeded in the vicious circle so familiar in the financial history of Europe during the last few years.

At the same time, the trade balance of Hungary has been seriously adverse, largely, perhaps, but not wholly, as a result of the falling exchange.

Hungary cannot, of course, be in a sound situation until both her budget and financial position and also her trade balance are satisfactory. She must not only meet her public expenditure by taxation but she must produce (and dispose of) as much as she consumes.

Before this double problem financial and budgetary on the one hand and economic on the other, the League must clearly limit and define its role.

The Financial Committee has no hesitation in recommending that, as in the case of Austria, any financial operations for which the League undertakes any responsibility should be definitely and expressly limited to remedying the budgetary, and therefore the financial, position. The scheme recommended below is essentially one to enable the fall of the crown to be at once arrested and its value maintained; it contemplates a balanced budget after a limited period of reform; and it proposes a loan for the purpose — and the sole purpose — of covering the deficit during this period. It is true that the Hungarian trade balance needs improving; but the necessary economic adaptation must be effected by Hungary herself. The essential contribution of the proposed scheme is to give a stable basis on which this adaptation can take place. It is true that the country needs liquid capital for the purpose of developing its national resources. But this capital must come not by means of a loan to the Government secured on national revenues but through natural and private channels under the attraction of the economic prospects of Hungary. The contribution the scheme makes is to offer stability and security in the financial basis of the country, which will allow these prospects of economic development to have their full attractive force to foreign capital. It follows incidentally from this fundamental conception that the shorter the period within which budget equilibrium can be attained, and the smaller the amount of foreign money which must be devoted to this limited but primary object, the quicker and better are the prospects of capital flowing in through private channels to assist in Hungary's economic restoration and development.

This is not to suggest that the Committee considers the economic restoration as of secondary importance, nor even that the League itself can do nothing to assist it.

On the contrary, no purely financial scheme can save the situation unless, as may be hoped, it forms the basis on which the country's economic life will develop; and one cardinal feature of this is the freer interchange of goods between Hungary and her neighbours, in the arrangement of which the League can perhaps give valuable assistance. This is, however, outside the direct sphere of competence of the Financial Committee and not an actual part of the financial scheme here proposed.

We propose to refer again to the economic question (see IX). For the moment we confine ourselves to one general remark. In the case of Austria, there were fears — happily to all appearance disproved by later events — that Austria, within the frontiers defined by the Treaty of St. Germain, was essentially not "viable". In the case of such a country as Hungary, with its rich natural resources and self-sufficiency in food, the position is entirely different. Adaptations may be—will be—required. An economic policy adjusted to her conditions must be adopted. Some changes in her economic life may well develop. Great improvements in the facilities for foreign trade are required. But all these things are possible, and all will be facilitated by financial stability.

## II

Starting with this general conception, the Committee unanimously recommends the following scheme as best adapted both to the needs of Hungary and to the practical possibilities of external assistance.

Its principles in main outline may be summarised as follows :

- i. The stoppage of inflation with a view to the *stabilisation* of the Hungarian crown, this being assisted by :
- ii. An independent *Bank of Issue* enjoying the monopoly of note issue;
- iii. *The balance of the budget* by June 30th, 1926, so that thereafter current expenses will be met by taxation without recourse to either inflation or loans;

iv. *A reconstruction loan*, secured by specific Hungarian revenues, to cover the deficit till June 1926, so that inflation may be stopped without waiting till the budget is balanced (which could probably never be achieved while inflation was still in progress);

v. A control through a Commissioner-General appointed by, and solely responsible to, the Council of the League, for the purpose of ensuring the due execution of the whole programme.

The success of the scheme so outlined requires :

vi. Satisfactory *political relations* between Hungary and her neighbours;

vii. Suitable arrangements with regard to her *external obligations*, particularly relief credits and treaty charges.

And, to be ultimately successful, the scheme requires to be supplemented by :

viii. *Economic restoration and development* and all the measures required to assist it, in particular, commercial agreements with neighbouring countries.

We now proceed to describe the scheme proposed in greater detail.

### III. — POLITICAL CONDITIONS.

It is essential, both in order to create the confidence without which the loan cannot be obtained and also to ensure the conditions under which alone Hungary can proceed with the measures required for her reconstruction, that all anxiety should be removed as to her political relations, particularly with her immediate neighbours.

The Committee therefore presumes that a Protocol corresponding to the Austrian Protocol I will be signed. The Committee confines itself to expressing its view that it is essential, from the point of view of the prospects of the loan, that a Protocol of the kind referred to should be signed and that modifications in the text, if any, should not be such as to weaken the general effect.

### IV. — PRELIMINARY MEASURES.

The scheme aims at stabilising the value of the crown. This value must be its real value, *i.e.* its real purchasing power. At the present moment attempts are made through the Devisenzentrale to maintain, for certain purposes, an official exchange rate which is much higher than its real value. Such attempts must cease before the reconstruction plan can begin. The continuance of an official rate, different from the real value, by the side of the real rate used on the open market would make all reconstruction impossible.

It is important that the abolition of a separate official rate should be effected as soon as possible, so that it shall cease to exercise an indirect influence on the free market rate, and so that there may be every assurance, at the beginning of the reconstruction period, that the basis on which stabilisation will be effected will be a basis of real value, *i.e.* the purchasing power of the currency, undistorted by any artificial cause.

The *first measure*, therefore, which the Hungarian Government should take is the *immediate* abolition of the present artificial quotation of the crown.

(Incidentally, we consider that the Hungarian Government would be well advised to proceed towards the establishment of a completely free exchange market in accordance with the principles approved by the Brussels Conference. The progressive abolition of restrictions should, moreover, in our view, contemplate the termination of the Governmental control not only of the exchanges but also of prohibitions of import and export. This is not only necessary for economic reasons; it is also clearly related to the problem of monetary stabilisation and the real value of the crown.)

As the stoppage of inflation must *precede* the issue of an external loan, the problem of meeting budget deficits in the interval requires careful consideration.

It will be convenient to recall here the main action which will be necessary before any external loan can be negotiated.

The Council of the League must have approved the scheme, and the necessary Protocols must have been signed.

The Reparation Commission must have agreed and have taken the requisite decisions with regard to raising of liens (see X).

Arrangements must be made with regard to relief credits so as to secure the necessary priority for the reconstruction loan (see X).

Hungary must have ratified and published the Protocols.

The Bank of Issue must be established (the Statutes drawn up and passed, the subscriptions obtained) and have begun to function so that inflation shall have definitely ceased (see V).

A *detailed* programme of budget reform must be drawn up by the Hungarian Government in agreement with a League Delegation, which must visit Budapest for the purpose; and the Hungarian Parliament must have accepted this programme and given full powers for its execution (see VIII).

The control must have been constituted and have begun to function.

It is of the utmost importance that the whole of the above action should be completed at the latest before the end of February 1924.

In the meantime, the Hungarian Government must meet the current deficits by internal resources. This should include an internal short-term loan payable in paper crowns but repayable, if necessary, in gold. So far as such a loan is devoted to meeting the normal budgetary deficit in the first three months of 1924, it might be properly repayable out of the proceeds of the reconstruction loan. The subscribers might also be given, as in the case of Austria, preferential rights in the allotment of shares in the Bank of Issue.

The detailed methods of finding resources for this interim period must be arranged by the Hungarian Government in agreement with the League Delegation, which will go to Budapest to arrange the programme of reform with the Government as soon as the necessary decisions have been taken by the Council of the League and the Reparation Commission. The date suggested above assumes the minimum of delay in all the prior action required. Much of this action, though to be taken by different authorities, cannot be simultaneous. For example, Hungarian legislation must wait till the Council and the Reparation Commission have taken their decisions.

Rapidity of action is therefore of the utmost importance. Any undue delay at any step would postpone the date at which it would be possible to obtain proceeds from any external loan. And this would have the serious results of both increasing the difficulties of meeting budget deficits in the interval and of diminishing the general confidence in a successful issue to the scheme on which the prospect of an external loan depends.

## V. — BANK OF ISSUE.

The main principles for the establishment of a Bank of Issue may be set out as follows :

### *Functions.*

#### 1. The Bank must have the *sole right of note issue*.

The Government, the Provinces, and the Municipalities must have no right to issue notes or borrow from the Bank.

If the Bank takes over the assets and liabilities of the existing Issuing Department, the commercial portfolio included among its assets must be confined to such securities as the Bank is allowed to include in its portfolio under its new Statutes.

2. The Bank must be a *Central Bank*, and its function should be mainly that of a bankers' bank.

3. The Bank will guide the *monetary policy* of the country and fix the bank-rate.

It should aim at a policy tending to keep the value of the crown *stable*, neither attempting an 'appreciation nor allowing a depreciation.

4. The main business of the Bank will consist in *rediscounting commercial bills* which correspond to real and normal transactions; these should have the endorsement of at least two solvent persons and should in principle not have a longer currency than 90 days.

In no case should the Bank make, or be entitled to make, uncovered loans, or give long-term credit whether on mortgage or by immobilising capital in any enterprise or in any manner whatever (such as fixed capital, industrial securities, etc.).

5. The Bank shall act as *cashier for the State*.

### *Management and Control.*

6. The Bank must be entirely independent of the Government.

Its capital should be subscribed entirely by private shareholders (a total share capital of 30 million gold crowns would seem sufficient).

If the Hungarian Government takes up certain shares in the first instance in return for the provision of certain assets, these shares ought to be disposed of to private shareholders as soon as possible.

7. The Board of Management should represent the economic interests of the country (industry, commerce, agriculture and finance).

It should be independent of all political influence, and the Government should take no part in the administration.

8. In order to increase the confidence of potential lenders, it will be necessary temporarily to associate with the Bank an adviser. This adviser might be appointed by the Hungarian Government on the nomination of the Commissioner-General (or, in the circumstances contemplated in the last paragraph of Chapter X (2) (f), on the nomination of the Council).

He should have a right of suspensive veto, every such veto being based on an article in the law or statutes with appeal to the Commissioner-General (or, in the circumstances contemplated under Chapter X (2) (f), to the Council of the League of Nations).

9. The provisions with regard to reserves should be strict, but at the same time such as to allow a certain elasticity in case of necessity.

10. The Bank should publish every week a detailed statement of its position, which should include the following items :

#### *Liabilities.*

Capital.  
Reserves.  
Notes in circulation.  
Deposits :  
    (a) Governmental.  
    (b) Bankers'.  
    (c) Other.  
Bills payable.  
Other liabilities.

#### *Assets.*

Metal reserve :  
    (a) Gold.  
    (b) Silver.  
    (c) Token money.  
Bills and credit balances in stable foreign currencies.  
Commercial bills, warrants and other securities.  
Advances to the Government (amount taken over from the former Institute of Issue)  
Other loans and advances.  
Other assets :  
    (a) Buildings and furniture.  
    (b) Sundry accounts.



## General.

It is essential that the Bank of Issue should be in full operation when the programme of reconstruction comes into force. This will greatly facilitate the subscription of the necessary loan.

For this purpose the law providing for the creation of the Bank should be voted by the Hungarian Government at the same time as the ratification of the Protocols to be signed at Geneva.

It is desirable that the proposed statutes should at once be drafted by the Hungarian Government in order to avoid any delay in the voting of the necessary legislation.

The subscriptions for the capital of the Bank should be obtained at the earliest possible date thereafter, and in any case before the negotiations for the external loan.

The Hungarian Government should then make a solemn declaration announcing the definite termination of inflation. The present Issue Department should be abolished. The new Bank of Issue would take over its assets and liabilities after adjustment of the accounts under an agreement with the Government; and the Bank should then at once take up its new duties.

## VI. — THE REFORM OF THE BUDGET : THE PERIOD OF RECONSTRUCTION.

We have examined with care and in detail the budget position as shown in the closed accounts of 1922-23 and in the estimates for the current and following years.

We confine ourselves here to indicating our main conclusions without stating in detail the considerations on which they are based.

While considerable economies in expenditure, to which we refer below, are possible in certain directions, a net increase rather than reduction in terms of gold value must be anticipated as compared with the expenditure of last year. A substantial increase in the yield of taxation is therefore necessary.

The Hungarian tax revenue is now estimated to yield a little over 200 million gold crowns, or about 27 gold crowns per head of population. The pre-war revenue within the territory of present Hungary was at the rate of about 60 gold crowns per head of population, and even assuming that the dislocation caused by the war has to a certain extent impaired the taxable capacity, we think it ought to be possible within two years to raise the produce of taxes to 50 gold crowns per head, *i.e.* approximately 400 millions of gold crowns.

A substantial part of this increase in yield may be expected from the automatically better returns (in terms of gold value) from existing taxes (as in the case of Austria) when stabilisation of the currency is effected. In addition, some increase in the rate of taxation is clearly possible. We may mention particularly the *impôt foncier*. In citing this tax in particular we have in mind the relief which land has obtained from mortgage charges by the depreciation of the crown; the further relief it has just obtained from charges recently weighing upon it in the form of export taxes and prohibitions; and the further relief it may shortly expect to obtain, when stabilisation is effected, by no longer having to hand over the foreign *devises* obtained by the sale of agricultural produce for export to the Devisenzentrale at a rate which, in fact, operates as a heavy export tax.

On the expenditure side, we think, economies in personnel should be made by a net reduction of at least 10,000 (not counting those now under notice); but, as against this, increase of the rates of salary must be anticipated. Steps should be taken to ensure the balancing of the railway budget at the earliest possible date, and capital expenditure on public undertakings should be restricted to what is absolutely indispensable.

In the net result we think budget equilibrium should be attained by June 30th, 1926.

We think the total deficits for this period—allowing for the payments of such external obligations as we must assume the Government will have to meet in the period—should certainly be met within the limit of 250 million gold crowns.

We recommend that the amount of the reconstruction loan issued for the purpose of meeting these deficits should be sufficient to give a net yield of this sum—250 million gold crowns.

We recommend the above sum in order to give a definite assurance that the plan of reconstruction can be carried out within the limits of the funds available. We consider, however, that the League Delegation which will visit Budapest should require a strict detailed programme (well *within* the above limits) so constructed as to leave a provision in case of any unforeseen adverse factor occurring during the reconstruction period, in order to avoid all risk of the plan being impeded by exhaustion of funds in such an eventuality. The Commissioner-General should, of course, work to the strictly limited programme so framed.

## VII. — THE RECONSTRUCTION LOAN : ITS CONDITIONS AND ITS SECURITIES.

A loan, then, yielding (net) 250 million gold crowns is required. How can it best be obtained; on what conditions and on what securities?

We have tried to construct a scheme which does not rely on Government guarantees. We doubt whether it would be practicable to obtain them, and we do not think they should be necessary.

For Austria they were necessary because by September 1922 Austria's financial position (combined with her dependence upon imported food and raw materials) was such as to present a real risk of social disorder developing to a point at which it would destroy the value of any securities she could offer. Moreover, the efficacy of League control was untried and unknown; and the recuperative power of a country when given the support of currency reform was equally a matter of conjecture. The position of Hungary to-day is very different. Her budget is by no means in so desperate a condition. The disorganisation of her economic life measured by the depreciation of the currency is considerably less; her natural resources (particularly her self-sufficiency in food) afford a more solid basis; her agricultural population does not present the risks feared for the industrial population of Austria. Above all, perhaps, we have the proved results of the Austrian experience : the astonishing increase both in the value of the assigned revenues and the general economic and financial recovery that have resulted from stabilisation and control.

We therefore propose that the loan shall be secured on certain assigned revenues of the Hungarian State, with the provision that additional revenues shall be assigned if necessary, and the whole reinforced by the scheme of comprehensive reform and control described in this report. Before referring in detail to the assigned revenues, we wish to make it clear beyond any possibility of misunderstanding that we regard their value as dependent upon the adoption of the *whole* scheme, which must be regarded as an interdependent entity.

### THE ASSIGNED REVENUES.

We propose that the revenues assigned to the service of the loan should in any case include the following :

- (a) Customs receipts (gross receipts);
- (b) Tobacco monopoly (gross receipts);
- (c) Salt monopoly (net receipts);
- (d) Sugar tax.

#### (a) Customs.

In 1922-1923 the Customs amounted to 28 million gold crowns (18 million on imports, 6 on exports, and 4 millions resulting from various special levies).

The export duties have already, however, been mostly abolished; and it is intended (as it is obviously desirable) that the rest should be abolished too.

We consider that the yield for this year may be reasonably estimated at 16 *millions*; and that it should thereafter substantially increase if the system of tariff restrictions is modified and commercial relations with neighbouring States are improved.

(b) *Tobacco Monopoly.*

The gross receipts in 1922-1923 amounted to 30 million gold crowns.

The results of the last four months for which data are available (July to October) were at the rate of only 20 millions a year, but an increase may be expected, partly because the prices have not yet been fully adjusted to the fall in the crown; partly because the privilege of home-growing (exempt from tax) is being withdrawn; and partly as a result of increased consumption after stabilisation.

On the whole, we consider that we may safely estimate, for the current year 1923-1924, gross receipts of not less than 25 *million gold crowns*.

We recommend that the *gross* receipts should be assigned as in the case of Austria. The net yield may be taken at a conservative estimate at not less than 12 ½ *million gold crowns*.

(c) *Salt Monopoly (net).*

The actual *net* receipts for 1922-1923 amounted only to 1.6 million gold crowns.

The price is, however, now being increased by one-third, and the cost of purchase (which is entirely from abroad) is expected to be less.

On the whole, we think the net yield for 1923-1924 may be reasonably estimated at 3 *million gold crowns*.

We recommend that the *net* receipts should be assigned.

It should be considered later whether it would not be advisable to substitute a fixed duty for the present salt monopoly.

(d) *Sugar Tax.*

The tax is 42 % on the wholesale price, collected as the sugar leaves the factory. The collection is simple and efficient: there are only 13 sugar factories (under the supervision of the Treasury) in Hungary.

The realised results for 1922-1923 were 9.3 *million gold crowns*. There was a considerable fall, due to special and temporary reasons, in the three months ending September. The October results show a considerable improvement in the yield.

We think a conservative estimate for the yield of this year would be 6 *million gold crowns*.

We thus have :

Estimate for 1923-1924

Customs (gross). . . . .	16 million gold crowns
Tobacco (gross). . . . .	25 " " "
Salt (net) . . . . .	3 " " "
Sugar . . . . .	6 " " "
	<hr/>
	50 " " "

We should repeat that these estimates are not those of the Hungarian Government, but the more conservative estimates made by ourselves. If, in estimating the value of the assigned revenues as an effective security, we take the net receipts of the tobacco, the total would still be 36 *million gold crowns*. And if, for each of the revenues, we take the least favourable estimate, based on the worst period (the first four months of the financial year), and also take only the *net* tobacco yield, we should still have a total of 30 *million gold crowns*.

We consider that these securities are sufficient to be assigned in the first instance.

We recommend that these assigned revenues should (as in the Austrian case) be held in a blocked account controlled by the Commissioner-General and, when his tenure has terminated, by the controlling authority which remains (see VIII); and that it should be his duty to retain such sums as are required for the service of the loan (together with such reserves as may be defined in the conditions of the loan), and to release the remainder for the current expenses of the Hungarian Government.

We should note incidentally that we anticipate that, unless the circumstances are very unfavourable, a considerable surplus should be available for release in this way, and we have allowed for this in calculating the probable deficits during the period of reconstruction.

We consider that, in addition to the revenues which we propose should be assigned for the service of the loan, an additional security might be furnished (as proposed by the Hungarian Government) by a first mortgage (under conditions to be considered in detail at a later date) upon the land now belonging to the Government.

We consider, however, that, particularly in the absence of Government guarantees, it is essential that, as in the case of Austria, there should be a provision that, should the above revenues prove at any time insufficient for the service of the loan (with the necessary reserve funds), any other revenues may be assigned and thereafter come under the same system. For this purpose all other revenues must be kept clear of prior or equal charges.

To this we propose one exception. We propose that the receipts of State undertakings (particularly the railways but not the fiscal monopolies) shall be exempt from this provision, so that the Government may be free to arrange for their conduct under autonomous or semi-autonomous management and that, in that case, the way may be clear for separate loans for genuine capital expenditure on the basis of their own assets so soon as their working results are such as to make this possible.

It should be clearly understood that we regard it as absolutely essential that Hungary should be in a position to give a clean first charge upon all the revenues contemplated above as required for security of the loan, not only upon those to be assigned in the first instance but also upon those which may have to be assigned at a later date; and that the necessary releases for the loan should therefore be obtained.

#### CONDITIONS OF THE LOAN.

We consider that the loan, so secured, should be issued in as many countries as possible.

We recommend that, again as in the case of Austria, Trustees should be appointed, with powers generally of a similar character to those specified in the General Bond of the Austrian Loan. And we contemplate a General Bond defining the rights of the bondholders on the same general lines, except so far as they may have already been included in a Protocol.

#### VIII. — CONTROL.

The fact that Government guarantees, provided for in the Austrian loan, are not contemplated as available in the case of Hungary makes it the more essential that the conditions of control should be entirely satisfactory and sufficient from the point of view of the lender.

It must be realised that the only revenues which Hungary can offer, sufficient as they may be as security for the loan so long as they maintain their value, can only maintain this value if the Hungarian crown itself maintains its value. All the revenues assigned are collected in Hungarian crowns; their value in gold (which

is what concerns the lender) must fluctuate, and will tend to depreciate, if the crown itself falls in value.

The assigned revenues can only, therefore, be regarded as satisfactory if considered in relation to a general scheme which ensures the continued stability of the crown. As the crown might fall (a) as a result of a continued disequilibrium of the budget after the period during which deficits are to be met by the loan, which would force renewed inflation; or (b) as a result of lax financial policy by the Bank of Issue, the lender will certainly insist :

(a) On a programme of budget reform calculated to secure budget equilibrium within a period which does not exceed that during which the loan will meet the deficits;

(b) The establishment of a Bank of Issue independent of Government control, and so constituted as to give assurance of proper financial policy.

We have dealt above with (b). (See V.)

As regards (a) the lender will also insist that :

There shall be adequate control by an impartial authority invested with sufficient power to assure that the programme will be duly carried out by the Government; and

That legislative provision should be made to secure that the execution of the programme by the Government shall not be impeded by Parliamentary action in the course of execution.

We regard the following provisions as essential :

1. A detailed programme of budget reform, within the limits indicated in this report, should be drawn up by the Hungarian Government, within a month after the signature of the Protocols, to the satisfaction of a Provisional Delegation of the League appointed for the purpose, with the addition of the Commissioner-General referred to below if he is then appointed.

2. This programme should specify the maximum expenditure allowable within each period of six months; the minimum taxation receipts which are allowable without giving rise to a demand, to which the Hungarian Government undertakes to give effect, to add new taxes or increase the rates of existing taxes, and the maximum deficits for each period.

It should include such definite provisions for progressive reduction of specified classes of expenditure as may be agreed by the Delegation, on the proposal of the Hungarian Government, and such taxes, at specified rates, as may be similarly agreed; the whole constituting such a programme as, if duly carried out, to give an assurance of budget equilibrium by June 30th, 1926, with an adequate margin for safety.

3. The Hungarian Government should undertake that if, in the course of execution, the above programme should appear likely to be inadequate for the attainment of budget equilibrium within the specified period, it will, on the demand of the Commissioner-General, amend it so far as may be necessary for that purpose, whether by the further reduction of expenses or further increase of taxation or by other administrative measures.

4. The programme should be placed by the Hungarian Government before the Hungarian Parliament for approval and for the delegation of such full powers for the execution of the programme, either as originally framed or as amended in accordance with paragraph 3, as will render unnecessary any further Parliamentary sanction during the whole period of reform. It should further provide for a definite acceptance by the Hungarian Government of the principle of assuring budget equilibrium by June 30th, 1926.

5. The Commissioner-General must at all times follow the execution of the whole programme, and for this purpose should work on the basis of monthly estimates (within the six-monthly limits of the general programme). The Hungarian

Government should undertake to give him throughout the whole period of his control all the information he may require, and all the facilities for obtaining information which he may request as to all items of the expenditure of the Hungarian Government, from whatever source, and all items of its receipts; as well as the whole of the connected administrative system and operations.

Subject to this and to any special provision as to military expenses declared inconsistent with the Treaty by the proper authority, the Commissioner-General will not object to particular items of expense or require modifications of the taxation system so long as the progress of the reform scheme is up to or in advance of the programme, except on the ground that the particular expense or feature in the taxation system is such (*e.g.*, by involving serious later commitments) as, in his opinion, to compromise the later progress of the scheme.

If, however, the progress towards budget equilibrium is behind the programme, the Commissioner-General may object to (and, if necessary, take the measures referred to in 6 and 7) any items of expense which in his view are inconsistent with the due progress of the general scheme and ought to be dispensed with. He may also, or alternatively, demand new taxation (see 3 above).

6. The proceeds of the loan should pass into an account which can only be drawn upon by the Hungarian Government on the authorisation of the Commissioner-General; and he should be entitled and required to withhold authorisation, to such extent as he may decide, if the expenses are in excess of the programme.

So long as the progress contemplated in the programme is being attained, however, and subject to the reserves in this report, he should be required to authorise payments from the proceeds of the loan to meet the deficits.

7. The revenues from the assigned revenues should pass into an account similarly controlled by the Commissioner-General. He should retain such sums as are necessary for the service of the loan on such conditions, and with such margin, as the conditions of the loan may specify. The balance should be released to the Hungarian Government for its current expenses, unless the withholding of the proceeds of the loan is insufficient to secure due execution of the programme, in which case further sums may be withheld from the assigned revenues for this purpose.

8. During the appointment of the Commissioner-General (whether during his first tenure or on reappointment in accordance with para. 12), the Hungarian Government shall undertake not to raise any loans not provided for in this scheme except with his consent.

9. The lenders will, in our opinion, regard it as absolutely essential that the choice of the Commissioner-General should be such as to give full assurance to the lender that he will have no tendency to be influenced in his decisions by any other object than the purely financial one of securing that budget equilibrium is attained within the specified period and that no commitments are entered into which would endanger that equilibrium thereafter.

It is essential that not only should the Commissioner-General be in fact without any bias in his decisions from any such ulterior motives, but that the original appointment should be such as to prevent any possible anxiety on this point. As it is unlikely that the Commissioner-General or his reputation can be personally known to the great bulk of the lenders, the only sure way of securing this object, even at the expense of narrowing the field of choice, appears to us to be that the Council should take a self-denying ordinance which would exclude the same nationalities as in the case of Austria, for which the following resolution was passed :

“... It is understood that the Commissioner-General should not belong to one of the four Principal Powers taking part in the loan or to one of the countries adjoining Austria.”

10. The functions of the Commissioner-General should be brought to an end (subject to reappointment in accordance with para. 12) by a decision of the Council of the League of Nations when the Council shall have ascertained that the financial stability of Hungary is assured.

In coming to this decision it would be understood that the Council would take into account any additional external obligations beyond those falling in the budget during the reconstruction period, which may have to be borne in subsequent years (see X).

11. The Reparation Commission, in its decision of October 17th, contemplated an association of the "États créanciers" with the control in the following phrase :

"Ce plan comporterait un contrôle exercé par la Société des Nations, auquel seraient associés les États créanciers de la Hongrie par le moyen d'un Comité dont les membres seraient nommés par la Commission des Réparations."

Such a Committee would give the countries chiefly interested a means of directly watching the progress of the work, as the Committee of Control of the Guaranteeing States does in the case of Austria.

It might, in our opinion, be very useful for this purpose so long as the appointment, duties, and method of working are such as to raise no fear that the work of the Commissioner-General and the execution of the programme of reform will be influenced by any other motive than the limited and definite object of securing budget equilibrium.

Such a Committee might well have power to ask the Commissioner-General for any information as to his work; to ask him to obtain information on any points in which they may be interested; to make suggestions and representations to him, and, in case of difference of opinion, to appeal to the Council of the League.

We regard it as essential, however, in order that the authority of the Commissioner-General may not be affected or the execution of the programme compromised, that :

- (a) The Committee should meet outside Hungary, as the Committee of Control of the Guaranteeing States meets outside Austria;
- (b) That the Committee should (again on the model of the Austrian Committee of Control) make no communications to the Hungarian Government otherwise than through the Commissioner-General (or the Council);
- (c) That the Committee should have no powers to impose or block action (as distinct from its right to require information) except by means of representations to the Commissioner-General, and, in case of difference, by appeal to the Council of the League.

12. *Control after End of Reconstruction Period.* The above recommendations relate to the control necessary during the period of reconstruction. It will, of course, be necessary to provide, as in the case of Austria, that a control of the assigned revenues should remain after this period and till the complete liquidation of the loan. It will doubtless be arranged, under conditions which might be more precisely defined towards the end of the reconstruction period, through the Trustees of the loan.

We consider, however, one further provision to be essential. We consider that, if at any time the development of the Hungarian financial position is such as, in the view of the Trustees, to endanger the continued value of the securities assigned to the loan, the Trustees should have the right to demand the re-establishment of the full control, under the conditions applicable during the reconstruction period, including the Adviser to the Bank, to continue until the Council is again able to decide that the financial position is sound. The Government would have the right to appeal to the Council within a short specified period. We suggest that the Council might arrange to take its decision on this administrative point by a majority.

It is, of course, essential, if this recommendation is accepted, that the original Protocol should specify that a control of the securities assigned will be established on the termination of the reconstruction period, and that Hungary should agree to accept this control; and further that Hungary should engage herself to accept the re-established full control in the eventuality referred to above. The above proposals with regard to the control after the end of the reconstruction period are without prejudice to the continuance of the Committee to be named by the Reparation Commission (see paragraph 11), on the clear understanding that the powers of the Trustees including the right of appealing for a new control, are in no way impaired.

## IX. — ECONOMIC POLICY AND DEVELOPMENT

The economic development of Hungary is an essential corollary of a scheme of financial reconstruction. The latter provides the basis and the opportunity; but it is essential that Hungary should take advantage of this opportunity if she is to attain a permanently satisfactory position.

The problem is outside the sphere of our direct recommendations. We confine ourselves to observing :

(1) It is essential that commercial treaties should be arranged which will allow the freer interchange of commodities between Hungary and her neighbours.

This depends partly upon general political relations, partly upon the specific economic policy of the different countries. It depends partly upon Hungary herself, partly upon her neighbours; and perhaps the League itself can exercise a useful influence.

(2) The most vital thing for Hungary is that she should achieve the best production of—and find markets for—the products for which her natural resources and her natural aptitudes best fit her. To the extent to which she diverts her resources in labour and in capital to producing what can be more cheaply obtained from abroad at the expense of what she can produce better than other countries there must be a net economic loss.

We notice, for example, that her agricultural production and to some extent the industries based upon it are far from attaining their full development, and that markets for her surplus (particularly of wine) are not available; while, on the other hand, she is developing certain new industries (under cover of inflation and prohibitions) which have no affinity to her natural resources. We wish to point out that, while we realise the many factors involved in the problem, the development of such industries in this way must necessarily have the triple result of diverting capital from her main production (where it is urgently needed), increasing the cost of living (with reactions on the whole of her economic life, including the power to export), and increasing the difficulties of negotiating commercial treaties which are needed to secure markets for her most valuable produce.

So far as Hungary develops a policy of producing (by artificial aids) for her own consumption those goods for the production of which she has no natural advantages, she must necessarily make it more difficult for herself to dispose of the surplus of what she can produce better and more cheaply than her neighbours and with greater advantage to herself.

(3) We think it essential that all direct impediments to export : prohibitions, taxes on export, and the maintenance of an artificial rate of exchange through the Devisenzentrale, which operates as an extra tax on export, should at once be abolished.

(4) As regards imports, we advise a rapid reduction of restrictions and prohibitions, inspired by the above principles, and designed to facilitate commercial agreements which will aid export.



## X. — EXTERNAL OBLIGATIONS. TREATY CHARGES

Two classes of external obligations require special consideration : (1) Relief Bonds; (2) Treaty Charges.

(1) We regard it as essential that a priority over any payments in respect of these relief bonds should be given to the reconstruction loan, so that this latter loan can be secured by a clean first charge on Hungarian revenues. In addition, we hope that funding arrangements can be made with the creditor countries of such a character as to make the annual charge upon the Hungarian budget a light one.

(2) *Treaty Charges* <sup>(1)</sup>. It is not in our competence to decide what Hungary should be asked to pay under the terms of the Treaty of Trianon. We believe that the information required to make such an estimate is still not quite complete. Moreover, we are not the competent body in this matter, according to the terms of the Treaty. It should therefore be clearly understood that we here express no opinion on these questions. We can only examine under what conditions any payments made in respect of obligations resulting from the Treaty would not prejudice the raising of the reconstruction loan.

We have already stated that the reconstruction loan must be given complete priority on all the revenues and assets to be assigned to its service. For this purpose it will be necessary for the Reparation Commission to pass the necessary resolutions as in the case of Austria.

The Financial Committee considers that the adoption of a scheme of financial reconstruction affords the best prospect of Hungary reaching a position in which it will be possible for her to pay Treaty charges.

But, in order to make a reconstruction loan possible, we consider the following conditions indispensable :

(a) It will certainly be necessary to dispense Hungary from all Treaty payments *during the contemplated period of reconstruction*. We do not, however, consider that this condition need be so applied as to prevent the continuance of the delivery of coal which is being supplied and the charge for which is already in the budget. It is to be understood that the quantity would not be greater than that which is being supplied under present arrangements. No other deliveries in kind should be allowed except in exchange for equivalent reductions in the coal.

(b) Decisions must be taken at once fixing absolutely the limits within which Treaty charges may be demanded *throughout the period of the amortisation of the loan*. The lender must be left in no uncertainty on this point.

(c) The limits and methods of payments defined in these decisions must be such as to give the lender an assurance that they will neither impair the equilibrium of the budget nor the stability of the crown during the period of amortisation of the loan.

(d) We think that, while the normal period of the amortisation should be taken as 20 years, it is possible that the lenders may require (among the conditions to be defined in the General Bond) the constitution of a special amortisation fund (*i.e.* by the setting aside for this purpose after the termination of the coal deliveries of an amount equivalent to their value in future budgets).

We consider therefore that the scheme, as approved by the Council and referred to the Reparation Commission, should be such as not to exclude the possibility of the Hungarian Government making such an arrangement.

We assume that the decision of the Reparation Commission would be such as to secure that, in such a case, Hungary would retain the full advantage of such an earlier amortisation and would not be exposed, as a consequence of it, to an earlier

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(1) We do not intend to include in this phrase the charges which existed before the Treaty, though the conditions of their payment may have been defined by the Treaty.

or greater increase of Treaty charges than if the amortisation arrangements were on the normal 20-year basis.

We think that the Treaty charges to be provided in the budget and demanded from Hungary must, during the normal period of amortisation, not exceed as a maximum (on an annual average) ten millions of gold crowns. It should be substantially less than this sum in the first five years after 1926.

(e) In addition, it is indispensable that, at any time when the Commissioner-General may be in authority under the conditions proposed elsewhere in this report, Treaty charge payments shall only be made with his assent. It should be the definite duty of the Commissioner-General to use all his powers to bring the budget back at the earliest possible date to a sound position and to secure that the payment of the Treaty charges and any arrears is duly made.

(f) It is also necessary, in order to avoid a danger of the value of the crown being depreciated, that any Treaty charge payments made by Hungary should be paid in Hungarian crowns into an account in the name of the Reparation Commission at the Bank of Hungary; and that it should be the duty of the Chairman of the Bank to convert these sums into foreign currencies at the earliest moment, but at such times and in such a manner as to prevent them depreciating the value of the crown.

If it is considered that the Chairman is not proceeding with this transfer with the requisite promptitude and regularity, we think it would be proper to contemplate a request to the League of Nations to appoint an arbitrator whose decision should be final.

We also think it would be reasonable that, if under this system Treaty charge transfers were discontinued for two years or more, the League of Nations should be requested to re-establish the functions of the adviser to the Bank. The adviser would be appointed by the Hungarian Government on the nomination of the Council of the League of Nations.

## XI. — SUMMARY

This scheme must be considered as a whole. The strength of the security offered to the lenders depends upon the due execution of the whole plan of reform, of which all the parts described above are interdependent. If the scheme as a whole, however, is executed :

A Bank of Issue founded (with an Adviser) under the conditions stated in V;

Financial stabilisation effected (IV and V);

Budget reform begun in a complete and sufficient programme (VI);

Control established (VIII);

Revenues assigned (Customs, tobacco, salt, sugar) (VII);

Additional revenues left available to be assigned if necessary (VII);

External obligations limited (X);

we consider that the conditions proposed for the issue of a reconstruction loan—to give a net yield of 250 million gold crowns, to cover the deficit in a period of reconstruction ending June 30th, 1926, to be issued in several countries—offer a reasonable basis of negotiation and should be successful.

We also consider that such a scheme gives a reasonable assurance of Hungary at once stabilising her currency, and of maintaining it by her own resources after the end of the period of reconstruction.

We believe that this financial scheme affords her the required basis for economic development; and that, subject to the conditions stated, her resources will enable her to become a permanently self-supporting State.

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## VI. — Documents officially communicated by the Reparation Commission to the League of Nations on February 22nd, 1924

Paris, February 21st, 1924.

### 1. — *The Reparation Commission to the Hungarian Government.*

The Reparation Commission, in accordance with the intention expressed in its decision of the 17th October last, has given most careful and sympathetic consideration to the plan for the financial reconstruction of Hungary prepared by the Financial Committee and approved by the Council or the League of Nations, and consisting of the Protocols Nos I and II and the report of that Committee.

It will be within the knowledge of the Hungarian Government that it was on the invitation of the Commission itself that this plan was drawn up, and the Commission is earnestly desirous of taking any measures within its powers which, in the general interests alike of Hungary and of her creditors, may further the execution of that plan.

Without entering into any discussion of the details of the plan, the Commission observes that, if the projected reconstruction loan and any short-term preliminary loan are to be issued successfully in the manner contemplated by the plan, it will be necessary that two decisions should be taken by the Commission at an early date.

One of these decisions is directed to raising the existing lien for reparations upon certain revenues of the Hungarian Government mentioned in the Report of the Financial Committee with a view to permitting the constitution of a first charge upon the resources thus exempted in favour of the holders of the new loan or loans. The other decision fixes, during the period over which the amortisation of the projected reconstruction loan is to extend, the payments and deliveries to be made by Hungary in respect of her obligations under the Treaty of Trianon in such a manner as to enable Hungary more readily to support the whole of her external financial obligations.

Drafts of the decision are enclosed.

In connection with this second decision, the Commission further observes that it is not practicable, within the short period now remaining unexpired before the date contemplated for the issue of the loan, to take the steps prescribed by the Treaty of Trianon for fixing the reparation liability of Hungary, assigning to her a part of the general reparation debt and drawing up a schedule of payments. The consent of the Hungarian Government to this decision will therefore be necessary.

The Hungarian obligations resulting from the decision will, of course, be subject to the conditions laid down in the plan of the League of Nations, and in this connection the Reparation Commission has to call the attention of the Hungarian Government to the fact that it interprets Articles II and VII of Protocol II, which forms part of that plan, as meaning that the Council of the League of Nations, in conformity with the reconstruction scheme, will re-establish the control of Hungarian finances if and when it finds as a fact the non-payment of any reparation annuity contemplated by the Commission. The Commission understands that this interpretation is that of the Council of the League; it proposes to take its decisions on this basis and desires before doing so to be assured that Hungary concurs in this interpretation.

In these circumstances it rests with the Hungarian Government to intimate, at the earliest possible moment, its willingness to accept the decisions of the Commission, as drafted, and also the interpretation above indicated as the basis of those decisions.

On receipt of such an intimation, the Commission will be prepared to take the two decisions contemplated and the way will thus be open to the Hungarian Govern-

ment to procure the financial assistance which is recognised in the plan of the League of Nations as being essential in the interests of the reconstruction of Hungary.

(Signed) JOHN BRADBURY.  
SALVAGO RAGGI.

Paris, February 21st, 1924.

2. — *The Magyar Kiralyn Kovetseg to the Chairman of the Reparation Commission.*

Your Excellency,

I have the honour to acknowledge receipt of the letter of the Reparation Commission dated February 21st, together with the draft decisions attached which the Reparation Commission intends to take.

Having received plenary powers from my Government for this purpose, I have the honour to declare that the Hungarian Government is prepared to accept the decisions as communicated to me by Your Excellency's letter.

I have also the honour to agree both to the terms of the decisions and to the interpretation adopted by the Reparation Commission in its above-mentioned note concerning Articles II and VII of Protocol II. I beg to take this opportunity of expressing both to Your Excellency and to your colleagues and collaborators the sincere thanks of my Government for the much-valued interest and sympathy which the Reparation Commission has accorded to the cause of my country.

(Signed) KORANYI,  
Minister for Hungary.

3. — *First Decision, excepting Specified Assets in view of Hungarian Loans.*

THE REPARATION COMMISSION :

*Considering* the present state of Hungarian finances;

*Taking note* of the plan of the League of Nations for the reconstruction of Hungary transmitted to the Reparation Commission by the Hungarian Committee of the Council of the League as the plan asked for in the resolution of the Commission of the 17th October 1923 as the said plan is set forth in the draft Protocols Nos. I and II and the report of the Financial Committee of the League dated the 20th December 1923;

*And considering* that, under the said plan, it is proposed that Hungary should raise a reconstruction loan the net proceeds of which should not exceed 250,000,000 gold crowns and which is to be repaid in a period of 20 years and also possibly short-term loans which are to be repaid out of the yield of the principal reconstruction loan as soon as the latter has been issued;

*Hereby* in exercise of the power conferred by Article 180 of the Treaty of Trianon to make exceptions to the first charge created by that Treaty on the assets and revenues of Hungary for the cost of reparation and other costs :

*Excepts* from the charge created by the said Article 180 for the cost of reparation by Hungary and any other costs arising under the Treaty of Trianon or any Treaties or Agreements supplementary thereto or any Arrangements concluded by Hungary with the Allied and Associated Powers during the Armistice signed on the 3rd November 1918 and from any and every other charge to which the powers of the Commission extend and so that this exception shall take effect for a period of 20 years from the date of this decision :

1. The gross receipts of the Customs;
2. The gross receipts from the tobacco monopoly;
3. The net receipts of the salt monopoly;
4. The gross receipts of the sugar tax;

5. Such of the other revenues and receipts of the Hungarian Government, other than the State railways and the revenues thereof, as may from time to time be duly required under the conditions mentioned in the said plan for the service of the reconstruction long-term loan to Hungary therein referred to;

*And whereas* this release is intended to permit of the repayment of the said reconstruction loan within the period for which the said release takes effect, the Reparation Commission agrees that if, at the end of the said period, any part of the said reconstruction loan or the interest thereon has not been completely discharged, such part of the loan or interest shall until completely discharged have priority in respect of the revenues and receipts above excepted over the said first charge for the cost of reparations and other costs under Article 180 of the said Treaty;

*And* the Reparation Commission makes this exception and temporary waiver of priority on certain Hungarian assets upon the express conditions that, without prejudice to the rights of the holders of Hungarian Relief Bonds, (1) no portion of the revenues and receipts so excepted be applied, in priority to the said first charge for the costs of reparations and other Treaty charges, to any purpose other than the service of the said projected loans, and (2) that the said short-term loans, if any, shall (if not already otherwise repaid) be discharged out of the proceeds of the said reconstruction loan;

*Provided always* and it is hereby declared that, if the said Protocols Nos. I and II shall not have been signed by or on behalf of all the Governments named therein respectively on or before the 31st March 1924, or if before the 31st December 1924 the League of Nations, taking into consideration the figure reached by the subscriptions to the said principal reconstruction loan, has not notified the Reparation Commission that it undertakes the responsibility to complete the reconstruction plan contained in the said Protocols, this decision shall be void and of no effect, but so that any short-term loans, to be repaid out of the yield of the principal loan, which may have been issued after the signature of the Protocols of the plan of the League of Nations and in conformity with those Protocols, shall be repaid in priority to reparations.

The Reparation Commission takes this decision upon the understanding that the Council of the League of Nations will declare before the 31st March next that it interprets Articles II and VII of the said Protocol II as meaning that it will, in conformity with the said plan of reconstruction, re-establish the control of Hungarian finances if and when it finds that any payment or delivery prescribed by the Schedule to Decision No. 2797 of the Reparation Commission which fixes the reparation payments of Hungary has not been made and this Decision shall take effect only if the Council has made such a declaration before that date.

#### 4. — *Second Decision, as to Amount of Treaty Charges to be imposed upon Hungary for a Period of Twenty Years.*

THE REPARATION COMMISSION :

*Considering* the present state of Hungarian finances;

*Taking note* of the plan of the League of Nations for the financial reconstruction of Hungary transmitted to the Reparation Commission by the Hungarian Committee of the Council of the League as the plan asked for in the resolution of the Commission of the 17th October 1923 and consisting of the Protocols Nos. I and II and the report of the Financial Committee of the League dated the 20th December 1923;

*Considering also* that it is essential in the interest of Hungary and the States creditors of Hungary on reparation account that the projected loan to Hungary for financial reconstruction as contemplated by the said plan be adequately sub-

scribed, but that it is not practicable before the date proposed for the issue of any such loan to determine the amount of the damage for which compensation is to be made by Hungary, to assign to her a part of the debt, and draw up a schedule of payments for securing and discharging the part so assigned pursuant to Article 163 of the Treaty of Trianon;

*Recognising further* that subscriptions to the said projected loan will be made upon the understanding that the recommendations as to the external obligations of Hungary, reparations and the powers of the Commissioner-General, contained in the said plan, receive the approval of the Reparation Commission and, therefore, that the burden to be imposed on Hungary on account of reparation and other charges under the Treaty of Trianon (other than such burdens, if any, as may arise under the said Treaty in respect of the obligations of Hungary or her nationals which existed before the Treaty) shall not for a period of twenty years from the date of this decision exceed the amounts mentioned in the Annex hereto and shall be subject to the conditions contained in the said plan;

*And taking note of the engagement of the Hungarian Government dated the 21st February 1924, consenting and agreeing to make the payment of the said amounts on the dates prescribed :*

*Decides* that the payments and deliveries to be made by Hungary from the 1st January 1924 to the 31st December 1943 in respect of her liability to make reparation shall, in pursuance of the said plan and subject to the conditions contained therein, be those set out in the Annex hereto, but so that if, during the said period of twenty years, Hungary shall, with the approval of the Reparation Commission, make any payment or delivery under the said Treaty (not being a payment or delivery in respect of obligations of Hungary or her nationals which existed before the war, as for example the obligations contained in Articles 186 and 231 and any such obligations as are contained in Article 232) otherwise than on account of reparation, such payment or the value of any such delivery shall not exceed the figure fixed by the schedule for the period in which it takes place and shall be deducted from the obligations of Hungary fixed in the schedule for that period;

*And further, if the payments fixed in the schedule for the years 1927 to 1943 added to the value of the deliveries or payments made in the years 1924, 1925 and 1926 do not amount to 200,000,000 gold crowns, the deficiency shall be paid or delivered during 1940, 1941, 1942 and 1943 in addition to the payments or deliveries fixed for those years, one-fourth of the deficiency being allotted to each year, and, similarly, if those payments added to that value exceed 200,000,000 gold crowns, the excess shall in like manner be deducted from the payments or deliveries fixed for the same last years;*

*Provided also* and it is hereby declared that, if the said Protocols I and II shall not have been duly signed by or on behalf of all the Governments named therein respectively on or before the 31st March 1924 or if before the 31st December 1924 the League of Nations, taking into consideration the figure reached by the subscriptions to the said principal reconstruction loan, has not notified the Reparation Commission that it undertakes the responsibility to complete the reconstruction plan contained in the said protocols, this decision shall be void and of no effect.

The Reparation Commission takes this decision upon the understanding that the Council of the League of Nations will declare before the 31st March next that it interprets Articles II and VII of the said Protocol II as meaning that it will, in conformity with the said plan of reconstruction, re-establish the control of Hungarian finances if and when it finds that any payment or delivery prescribed by the schedule to this decision has not been made pursuant to this decision and this decision shall take effect only if the Council has made such a declaration before that date.

ANNEX REFERRED TO IN THE ABOVE DECISION

*Payments or deliveries.*

(Value expressed in gold crowns.)

<i>Period :</i>	{ Such deliveries in kind or payments as may from time to time be authorised by the Reparation Commission to an amount corresponding to the value of 880 tons of coal per working day.	
From January 1st, 1924 to December 31st, 1926		
June 30th, 1927. . . . .	2,500,000	{ 5,000,000
December 31st, 1927. . . . .	2,500,000	
June 30th, 1928. . . . .	2,500,000	{ 5,000,000
December 31st, 1928. . . . .	2,500,000	
June 30th, 1929. . . . .	3,000,000	{ 6,000,000
December 31st, 1929. . . . .	3,000,000	
June 30th, 1930. . . . .	3,500,000	{ 7,000,000
December 31st, 1930. . . . .	3,500,000	
June 30th, 1931. . . . .	4,000,000	{ 8,000,000
December 31st, 1931. . . . .	4,000,000	
June 30th, 1932. . . . .	4,500,000	{ 9,000,000
December 31st, 1932. . . . .	4,500,000	
June 30th, 1933. . . . .	5,000,000	{ 10,000,000
December 31st, 1933. . . . .	5,000,000	
June 30th, 1934. . . . .	5,500,000	{ 11,000,000
December 31st, 1934. . . . .	5,500,000	
June 30th, 1935. . . . .	6,000,000	{ 12,000,000
December 31st, 1935. . . . .	6,000,000	
June 30th, 1936. . . . .	6,500,000	{ 13,000,000
December 31st, 1936. . . . .	6,500,000	
June 30th, 1937. . . . .	6,500,000	{ 13,000,000
December 31st, 1937. . . . .	6,500,000	
June 30th, 1938. . . . .	6,500,000	{ 13,000,000
December 31st, 1938. . . . .	6,500,000	
June 30th, 1939. . . . .	6,500,000	{ 13,000,000
December 31st, 1939. . . . .	6,500,000	
June 30th, 1940. . . . .	6,500,000	{ 13,000,000
December 31st, 1940. . . . .	6,500,000	
June 30th, 1941. . . . .	6,500,000	{ 13,000,000
December 31st, 1941. . . . .	6,500,000	
June 30th, 1942. . . . .	7,000,000	{ 14,000,000
December 31st, 1942. . . . .	7,000,000	
June 30th, 1943. . . . .	7,000,000	{ 14,000,000
December 31st, 1943. . . . .	7,000,000	

## VII. — Protocols signed on March 14th, 1924, at Geneva.

### PROTOCOL No. I

#### DECLARATION

The Government of His BRITANNIC MAJESTY, the Government of the FRENCH REPUBLIC, the Government of His MAJESTY THE KING OF ITALY, the Government of His MAJESTY THE KING OF ROUMANIA, the Government of His MAJESTY THE KING OF THE SERBS, CROATS AND SLOVENES and the Government of the CZECHOSLOVAK REPUBLIC, of the one part,

At the moment of undertaking to assist Hungary in her work of economic and financial reconstruction,

Acting solely in the interests of Hungary and of the general peace, and in accordance with the obligations which they assumed when they agreed to become Members of the League of Nations,

Solemnly declare :

That they will respect the political independence, the territorial integrity and the sovereignty of Hungary;

That they will not seek to obtain any special or exclusive economic or financial advantage calculated directly or indirectly to compromise that independence;

That they will abstain from any act which might be contrary to the spirit of the Convention which are to be drawn up in common with a view to effecting the economic and financial reconstruction of Hungary, or which might prejudicially affect the guarantees demanded by the Signatory Powers for the protection of the interests of the creditors;

And that, with a view to ensuring the respect of these principles by all nations, they will, should occasion arise, appeal, in accordance with the regulations contained in the Covenant of the League of Nations, either individually or collectively, to the Council of the League of Nations, in order that the latter may consider what measures should be taken, and that they will conform to the decisions of the said Council.

The Government of HUNGARY, of the other part,

Undertakes, in accordance with the stipulations of the Treaty of Trianon, strictly and loyally to fulfil the obligations contained in the said Treaty, and in particular the military clauses, as also the other international engagements.

It will abstain from any action which might be contrary to the spirit of the Conventions which shall be drawn up in common with a view to effecting the economic and financial reconstruction of Hungary or which might prejudicially affect the guarantees demanded by the Signatory Powers for the protection of the interests of the creditors.

It is understood that Hungary will maintain, subject to the provisions of the Treaty of Trianon, her freedom in the matter of Customs tariffs and commercial or financial agreements, and, in general, in all matters relating to her economic regime or her commercial relations provided always that she shall not violate her economic independence by granting to any State a special regime calculated to threaten this independence.

The present Protocol shall remain open for signature by all the States which desire to adhere to it.

In witness whereof the undersigned, duly authorised for this purpose, have signed the present Declaration.



DONE on the fourteenth day of March, one thousand nine hundred and twenty-four, in a single copy, which shall be deposited with the Secretariat of the League of Nations and shall be registered by it without delay.

(Signed) CECIL OF CHELWOOD. (Signed) KORANYI.  
G. HANOTAUX.  
- L. BONIN-LONGARE.  
N. TITULESCU.  
M. JOVANOVITCH.  
Dr EDVARD BENES.

## PROTOCOL No. II

The undersigned, acting in the name of the Hungarian Government and duly authorised for the purpose, declares that he accepts the obligations contained in the present Protocol, which has been approved by the Council of the League of Nations.

### *Article I. — Declaration.*

The Hungarian Government will ask its Parliament to ratify the declaration contained in Protocol No. I.

### *Article II. — Programme of Reform.*

(1) The Hungarian Government will, within a month after the obligations contained in this Protocol have become effective, in collaboration with such Delegation of the Council of the League of Nations as may be appointed for the purpose and with the Commissioner-General whose functions form the subject of Article VI below, if he shall have been appointed, draw up a programme of reform and reconstruction which is to be realised by stages, and the general outline of which is defined in the Report of the Financial Committee (Annex).

This programme shall specify, for successive periods of six months, the maximum expenditure to be incurred, the minimum amount to be raised by taxation and the maximum deficits in each such period. It shall include such definite provisions for reduction of specified classes of expenditure and for the increase of taxation, at specified rates, as may be agreed on the proposal of the Hungarian Government, the whole constituting such a programme as, if duly carried out, to give, with an adequate margin for safety, all State receipts and expenditure being included in the Budget, an assurance of the attainment by June 30th, 1926, of budget equilibrium on a sound and durable basis.

Budget equilibrium on a sound and durable basis within the meaning of this Protocol will not be considered to have been reached unless the position of the Budget is such as to enable the service of the loan and such charges resulting from the Treaty of Trianon as may have been determined by the competent authority before the obligations assumed by the Hungarian Government under the provisions of this Protocol have become effective, to be borne on the expenditure side without bringing the Budget into disequilibrium.

The programme shall exclude any recourse to loans, except under the conditions determined by it, and the receipts contemplated in it shall be receipts from current taxation, excluding any recourse to monetary inflation, which will have been terminated by the insertion of the stipulations necessary for this purpose in the Statutes of the Bank of Issue, which is to be created in accordance with Article XIII.

(2) If in the course of execution the above programme should appear likely to be inadequate for the attaining of its purpose, and, in particular, the establishment of Budget equilibrium in the manner and within the period indicated in pa-

paragraph (1) above, the Hungarian Government will be bound on the demand of the Commissioner-General to amend it so far as may be necessary for that purpose whether by the further reduction of expenses or the further increase of taxation or by other administrative measures.

*Article III. — Commercial Agreements.*

Hungary undertakes to make every effort to conclude Commercial Agreements, in particular with neighbouring States, with a view to reducing the obstacles and increasing the volume of her foreign trade, having regard to the recommendations on this subject contained in Part IX of the Financial Committee's Report (Annex).

*Article IV — Powers of the Government.*

The Hungarian Government will without delay ask its Parliament to approve the above-mentioned programme.

It will at the same time lay before the Hungarian Parliament a draft law giving to any Government in power full authority, without there being any necessity to seek for further approval by Parliament, to carry out the said programme as originally framed in accordance with Article II, paragraph (1), or as amended, if necessary, in accordance with paragraph (2) of Article II, and to take all measures within the limits of the programme so framed or so amended which, in its opinion, may be necessary to ensure that the equilibrium of the Budget will be attained on a sound and durable basis at the end of the period of reconstruction.

*Article V — Reconstruction Loan.*

(1) In order to meet the excess of expenditure over revenue which is contemplated by the programme during the period before Budget equilibrium is reached, the Hungarian Government may issue a loan yielding an effective sum equivalent to not more than 250 million gold crowns.

(2) The yield of this loan may not be employed except in conformity with the provisions of this Protocol.

(3) The expenses of issue, of negotiation and of delivery shall be added to the capital of the loan as fixed under paragraph (1) above.

(4) The capital and interest of the loan contemplated under paragraph (1) above shall be paid by the Hungarian Government free of all deduction in respect of taxes, dues or charges for the benefit of the Hungarian State.

(5) The conditions of the loan, the issue price, the rate of interest, the amortisation, the expenses of issue, of negotiation and of delivery shall be submitted for the approval of the Commissioner-General; the amount of the annuity necessary for the service of interest and amortisation of the loan shall likewise be approved by him.

(6) The Hungarian Government may also raise temporary loans in advance of and repayable out of this loan. Any such temporary loans shall be subject generally to the conditions applicable under this Article to the main loan.

*Article VI. — The Commissioner-General.*

(1) Hungary accepts the appointment by the Council of the League of Nations of a Commissioner-General who shall be responsible to the Council and removable by it.

(2) The Commissioner-General shall reside at Budapest. He may provide himself with the necessary technical staff. The expenses of the Commissioner-General and of his office shall be approved by the Council and defrayed by Hungary.

(3) It will be the duty of the Commissioner-General to supervise the execution of the whole programme of reform and to exercise the powers conferred upon him in this Protocol for the purpose of ensuring that the said programme is carried out and that budgetary equilibrium as defined under Article II is attained or, in the event of his reappointment in accordance with Article VII, restored. It is anticipated that he will work, to this end, on the basis of monthly estimates (within the six-monthly limits of the general programme).

(4) The Hungarian Government will give him throughout the whole period of his control all the information he may require, and all the facilities for obtaining information which he may request, as to all items of the expenditure or revenue of the Hungarian State, whatever their source or nature may be, and as to the whole of the administrative system and operations connected with the State finances.

(5) Subject to the due execution of the preceding paragraph of this Article, and except in cases of military expenditure declared by the proper authority inconsistent with the provisions of Part V of the Treaty of Trianon (to which it will at all times be his duty to object), the Commissioner-General will not, so long as the progress of the reform scheme is up to or in advance of the programme drawn up in accordance with Article II, object to particular items of expense or require modifications of the taxation system except on the ground that the particular expense or feature in the taxation system is such (*e.g.* by involving serious later commitments) as in his opinion to compromise the later progress of the scheme; but if the progress of reform is at any time behind what is prescribed for the six-monthly periods, or contemplated in the monthly estimates referred to in paragraph 3 above, he may, to such extent as he considers the situation demands, and in order that the six-monthly limits may be assured, object to any item of expense and may also, or alternatively, require the Hungarian Government to increase the yield of existing taxation or to impose new taxes. Should the Hungarian Government fail to satisfy his demands, the Commissioner-General shall, to such extent as he may decide, withhold authorisation for payments to the Hungarian Government out of the special accounts contemplated under Articles XI and XII.

(6) The Hungarian Government undertakes, during the Commissioner-General's control, to grant no concessions and enter into no agreement which he may think such as to compromise the execution of the programme of reform.

(7) The Hungarian Government will not, during the Commissioner-General's control negotiate or conclude any loans other than those contemplated in the programme to be drawn up in accordance with Article II, except with his assent.

If the Hungarian Government at any time considers itself obliged to envisage the issue of loans not covered in the opinion of the Commissioner-General by the conditions of the programme contemplated under Article II, it will first submit such plans for the approval of the Commissioner-General.

(8) The Commissioner-General shall present monthly to the Council a report upon the progress made in executing the programme of reform contemplated under Article II. He shall communicate this report at the same time to the members of the Committee of Control whose functions form the subject of Article VIII.

(9) If the Hungarian Government considers that the Commissioner-General has abused his authority it may appeal to the Council of the League of Nations. Before taking any decision on such an appeal, the Council will give to the Committee of Control the opportunity to make any such observations as it may think fit.

(10) Subject to the provisions of Article VII, the functions of the Commissioner-General shall be brought to an end by a decision of the Council of the League of Nations when the Council shall have ascertained that the financial stability of Hungary is assured.

#### *Article VII. — Re-establishment of Control.*

(1) If, at any time after the Commissioner-General's functions have been terminated in accordance with para 10 of Article VI, and before the loan contem-

plated under Article V, and every part thereof and every claim in respect thereof, shall have been completely discharged, the financial situation of Hungary has become such that the equilibrium of the Budget, at defined under Article II, or the continued value of the revenues or assets assigned for the service of the loan, are endangered, the Council will have the right to re-establish the full system of control established by this Protocol, including, in particular, the appointment of a Commissioner-General, and of an adviser to the Bank of Issue, with all the powers and duties set out in this Protocol, to continue until the Council is again able to decide that the financial position is sound.

(2) Before taking any decisions under the terms of the preceding paragraph, the Council will give to the Hungarian Government the opportunity to make such observations as it may think fit. Hungary will forthwith accept and give effect to the decisions taken by the Council under the terms of this Article.

(3) The Hungarian Government undertakes during the period or periods in which the system of control may have been re-established under the terms of this Article to make no payments in respect of charges resulting from the Treaty of Trianon without the authorisation of the Commissioner-General.

#### *Article VIII. — Committee of Control.*

(1) Hungary accepts the establishment of a Committee of Control to be appointed by the Reparation Commission.

(2) It shall be the function of this Committee to ascertain that no prejudice is caused to the rights of the Reparation Commission under Article 180 of the Treaty of Trianon.

(3) For this purpose the Hungarian Government will furnish the Commissioner-General, for transmission to the Committee, with all information which it may require concerning any item upon the revenue or expenditure side of the Hungarian Budget and which is relevant to the purpose for which the Committee has been created. The Committee shall also have the right to require periodical statements of accounts. For the purpose of obtaining information so demanded, the Commissioner-General may exercise the right accorded to him under paragraph 4 of Article VI.

(4) The Committee, or any of its members, may demand any information or explanation as to the programme of financial reform and its execution.

(5) The Commissioner-General shall be present or shall be represented at the meetings of the Committee of Control and the Committee may address any observations or make any representations to him.

(6) The Committee will in all cases communicate with and receive communications from the Hungarian Government through the Commissioner-General.

(7) It is understood that the Committee will always meet outside Hungary.

(8) The Committee shall have the right at all times to address such observations as it may think fit to the Council of the League of Nations.

(9) If at any time the Committee is of opinion that the Commissioner-General has not given effect to the representations made to him by it, the Committee may appeal to the Council of the League of Nations.

(10) The manner in which the powers of the Committee of Control, as defined in this Protocol, shall be exercised after the end of the reconstruction period shall be determined before the end of that period by the Council of the League of Nations in agreement with the Reparation Commission, it being understood that the powers and rights of the Trustees in virtue of this Protocol shall not be impaired

#### *Article IX. — Trustees.*

When the loan provided for under Article V, or the first instalment thereof, shall be issued, the Council of the League of Nations will appoint Trustees to represent the interests of the bond-holders, and Hungary accepts that the Trustees shall

fulfil the functions and perform the acts assigned to them in this Protocol until the loan and every part thereof and every claim in respect thereof shall have been completely discharged.

*Article X. — First Charge.*

(1) The Hungarian Government will furnish as securities for the loan contemplated under Article V the gross revenues from the Customs, the Sugar Tax and the Tobacco Monopoly, and the net revenue from the Salt Monopoly, and, if the Commissioner-General shall deem it necessary, other specific revenues and assets, except the revenues from State Railways, determined in agreement with him.

The amounts required for the service of the loan shall be and remain a first charge upon the gross revenues from the Customs, the Sugar Tax and the Tobacco Monopoly and the net revenue from the Salt Monopoly, and, if the Commissioner-General shall deem it necessary, upon such other specific assets (except the revenues from State Railways) as may be determined in agreement with him, and the Hungarian Government acknowledges that such revenues shall stand charged accordingly. It undertakes that it will not, without the prior consent of the Commissioner-General, create or attempt to create any mortgage or charge which will in any way affect the charge hereby created. It will not take any measures which, in the opinion of the Commissioner-General, would be such as to diminish the value of such revenues and assets so as to threaten the security of the bondholders.

(2) All the powers, rights and duties assigned under the terms of the preceding paragraph of this Article to the Commissioner-General shall belong after the termination of his functions, and except for any period when a Commissioner-General shall have been reappointed in accordance with paragraph (1) of Article VII, to the Trustees, provided always that the powers and rights of the Trustees, with regard to the assignment of revenues or assets additional to such revenues or assets as may already have been assigned at the date of the termination of the Commissioner-General's functions, shall be as defined in the succeeding paragraph of this Article. All decisions taken by the Trustees in virtue of such powers and rights and in execution of such duties shall require confirmation by the Council if, within fourteen days of the notification of any such decision by the Trustees to the Hungarian Government, the latter shall have lodged an appeal against it with the Council.

(3) If at any time the total yield of the revenues or assets already assigned should fall below 150 % of the annual sum required to meet the service of the loan, the Trustees may demand that additional revenues or assets sufficient to assure the immediate restoration of the yield to the above percentage be assigned. In case of dispute, the Hungarian Government shall have the right to appeal to the Council within fourteen days of the notification of the aforesaid demand on the grounds either that the said total yield has not fallen below 150 % of the said annual sum or that the additional revenues or assets demanded are more than sufficient to restore the percentage.

*Article XI. — Special Account for Assigned Assets.*

(1) The yield of the gross revenues from the Customs, the Sugar Tax and the Tobacco Monopoly and of the net revenue from the Salt Monopoly, and of such other specified assets as may from time to time be charged in accordance with the provisions of Article X, will be paid into a special account, as and when collected, for the purpose of assuring the service of the loan contemplated under Article V. The Commissioner-General and, after the termination of his functions except for any period when a Commissioner-General shall have been reappointed in accordance with paragraph (1) of Article VI, the Trustees, may alone control this account.

During such times as the special account mentioned above is under the control of the Trustees, any balances of the account not retainable by them in accordance with the following provisions or with the terms of issue of the loan shall be reimbursed to the Hungarian Government, subject, however, to the powers conferred on the Trustees in the event of a default under paragraph (2) (c) below.

(2) The terms on which the loan is issued shall include, among other provisions :

(a) Provisions as to amounts which, at the intervals fixed by such terms, shall be paid out of the special account provided for in the preceding paragraph by the Commissioner-General to the Trustees, and during such times as the Trustees may be in control of the account, set aside by the Trustees themselves and retained for the service of the loan, including interest, amortisation and all charges, commissions or other payments to be met by the Hungarian Government in connection therewith.

(b) Provision for the constitution and for the maintenance by the Hungarian Government in the hands of the Trustees of a reserve fund applicable at their discretion to make good any default or deficiency on the part of the Hungarian Government in providing the sums required for the service of the loan.

(c) Power for the Commissioner-General, at the request of the Trustees, or for the Trustees themselves if they shall be in direct control of the revenues and assets, to retain, collect or otherwise provide out of the said revenues and assets (including such other assets as may be brought into charge under the provisions of Article X), sufficient sums to remedy and make good any default of the Hungarian Government in whole or in part in carrying out any of its obligations contained in the conditions of the loan.

(3) (a) The Commissioner-General may require such modifications and improvements as may increase the productivity of the revenues assigned as security. If, notwithstanding such representations, it should appear to him that the value of these revenues and assets has been seriously prejudiced by their management by the Hungarian Government, he may require that this management shall be transferred to a special administration, either by the constitution of a Government monopoly or by the grant of concessions or leases or otherwise.

(b) The Hungarian Government may not introduce into the rates producing the revenues assigned as security any changes to which he may object as being, in his opinion, such as to reduce their minimum total yield expressed in gold, as this may be determined before the issue of the loan with a view to producing the necessary annuities.

#### *Article XII. — Special Loan Account.*

The yield of the loan contemplated under Article V above shall be paid into a special account. The Commissioner-General may alone control this account.

#### *Article XIII. — Bank of Issue.*

The Hungarian Government will, within one month after the obligations contained in this Protocol have become effective, in collaboration with such Delegation of the Council of the League of Nations as may be appointed for the purpose, and with the Commissioner-General if he shall have been appointed, prepare a draft law in order to secure the following objects, and lay it before the Hungarian Parliament.

(1) A Central Bank of Issue shall be constituted under conditions the general outline of which is defined in Part V of the Report of the Financial Committee. In particular, the statutes of the Bank shall ensure its complete autonomy in its relations with the Government and shall exclude the Government from taking part in its administration.

(2) Provision shall be made for the appointment by the Hungarian Government, on the nomination of the Commissioner-General, of an adviser.

(3) In the circumstances contemplated in Part X 2 (f), sub-paragraph 3, of the Report of the Financial Committee (Annex), the Council may decide that the functions of the adviser shall be re-established; the adviser shall in this case be appointed by the Hungarian Government on the nomination of the Council.

(4) The Bank shall undertake the cash transactions of the State; it shall centralise the Government's receipts and payments and shall furnish periodical financial statements at the dates and in the form which may be determined in agreement with the Commissioner-General.

*Article XIV. — Postponement of Reparation Lien.*

The obligations assumed by the Hungarian Government under the provisions of this Protocol shall not become effective unless and until the Reparation Commission shall have taken a decision enabling the Hungarian Government to give the first charge contemplated under Article X.

*Article XV. — Protocol Article.*

Any difference as to the interpretation of this Protocol shall be settled by the Council of the League of Nations.

All decisions to be taken by the Council in execution of this Protocol shall be taken by a majority vote.

The present Protocol shall be communicated to those States which have signed Protocol No. I.

This Protocol shall be ratified by Hungary and the ratification shall be deposited at the Secretariat of the League of Nations as soon as possible, and in any case not later than one month after the Reparation Commission shall have taken the decision contemplated under Article XIV.

In faith whereof the undersigned, duly authorised for this purpose, has signed the present Protocol.

DONE in a single copy, on the fourteenth day of March, one thousand nine hundred and twenty-four, which shall be deposited with the Secretariat of the League of Nations and shall be registered by it without delay.

(Signed) KORANYI.

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VIII. — Resolutions adopted by the Council  
of the League of Nations on March 14th, 1924.

RESOLUTION I

The Council of the League of Nations :

Having received official communication of the correspondence exchanged on February 1st, 1924, between the Reparation Commission and the Hungarian Government, and the two decisions pronounced on the same date by the Reparation Commission in regard to the release of certain Hungarian assets and the amount of the Treaty charges to be imposed upon Hungary for a period of twenty years;

Having noted that the said decisions are in conformity with the League of

Nations scheme which was communicated to the Reparation Commission on January 22nd, 1924 :

Thanks the Reparation Commission for its decisions, which will render it possible to undertake the financial reconstruction of Hungary.

The Council, having noted that the Reparation Commission desires an interpretation of Articles II and VII of Protocol II, declares that it interprets these articles as follows :

"In conformity with the plan of reconstruction contained in Protocols I and II and in the report of the Financial Committee, the Council will re-establish the control of Hungarian finances if and when it finds that any payment or delivery prescribed by the schedule to Decision No. 2795 II of the Reparation Commission, which fixes the reparation payments of Hungary, has not been made."

## RESOLUTION II

The Council of the League of Nations .

Having noted the work undertaken in November and December 1923, and January 1924, by the Financial Committee in drawing up a scheme for the financial reconstruction of Hungary;

Having followed the discussions of its Hungarian Committee which it appointed to consider the question of the reconstruction of Hungary, and on which it conferred full powers on December 20th, 1923 :

Desires to thank its Hungarian Committee and approves of the decisions taken by that Committee, in particular as regards the appointment of the members of the Delegation at Budapest;

Wishes to mark its high appreciation of the important contribution made by the members of the Financial Committee to the work of the League of Nations.

The Council .

Having noted that the necessary decisions have been taken by the Reparation Commission, that the Protocols have been signed by the Governments concerned, and that the Delegation of the League of Nations has begun its work at Budapest :

Expresses the confident hope that this work, with the support of the Reparation Commission and of the Governments signatories of the Protocols, will now develop under the most favourable conditions and in that spirit of international co-operation which characterised the preliminary investigations.

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## IX. — Report of the Delegation of the Council of the League of Nations.

Budapest, March 25th, 1924.

### I. DUTIES OF THE DELEGATION

The duties of the Delegation, as expressly defined in Protocol No. II, were :

(1) To collaborate with the Hungarian Government in drawing up the programme of reform and reconstruction, which is to be realised by stages, on the basis of the principles laid down in the Financial Committee's Report (Protocol No. II, Article II);

(2) To collaborate with the Hungarian Government in preparing a Draft Law for the constitution of a Bank of Issue.



The Delegation reached Budapest on March 4th and concluded its work on March 22nd.

The following persons took part in the work : Sir Henry STRAKOSCH (Chairman), M. AVENOL, Signor BIANCHINI, M. ter MEULEN, M. POSPISIL, Sir Arthur SALTER <sup>(1)</sup> and M. WALLENBERG.

M. Janssen, Chairman of the Financial Committee, could not attend, as he was a member of one of the Expert Committees appointed by the Reparation Commission.

## 2. AGREEMENT BETWEEN THE DELEGATION AND THE HUNGARIAN GOVERNMENT

On its arrival, the Delegation was informed by the Government of the manner in which the latter proposed to fulfil the obligations of Protocol No. II as regards the legislative measures to be laid before Parliament. The Government communicated to the Delegation :

(1) A draft law containing the provisions relating to the full powers to be granted to the Government (Article IV of the Protocol) and a number of measures designed to reduce the expenditure and to increase the revenue of the State and to effect an administrative re-organisation;

(2) A scheme of half-yearly budgets covering the reconstruction period;

(3) A draft law constituting the Bank of Issue, with draft statutes for the Bank annexed thereto.

These documents having been examined, it was decided by the Delegation and the Government in full agreement that the Law on the re-establishment of budgetary equilibrium, containing provisions regarding the full powers to be granted to the Government and also a very comprehensive programme of reforms, should include two annexes :

Annex (a), specifying in detail a series of measures involved in the execution of the programme;

Annex (b), the half-yearly budgets.

The most essential part of the Delegation's work was the discussion of this law, with its two annexes, and the consideration of the Law on the Bank (with Statutes). The agreement between the Government and the Delegation in regard to these instruments is defined in a letter from the Hungarian Prime Minister dated March 21st (Annex 2).

## 3. FULL POWERS

The essential provisions of the draft law on the re-establishment of budgetary equilibrium, including full powers, may be summarised as follows :

The Protocols are ratified and become national laws.

The Government is authorised to fulfil the obligations contracted in virtue of the Protocols.

The Government is in particular authorised to take certain steps specified in the law and its annexes, and accordingly to draw up the half-yearly budgets which form Annex (b) to the Law.

In the event of the provisions contained in the law being found inadequate, the Government is authorised to take any additional steps which may be neces-

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(1) Sir Arthur Salter, who was a member of the mission sent to Budapest in November 1923 by the Secretariat-General, was not able to go to Budapest with the Delegation, whose work he has followed by correspondence.

sary either to reduce expenditure or to increase revenue without the necessity of obtaining Parliamentary sanction in advance (Article IV).

The Government is still bound to submit the budget to Parliament, but, as regards the budget, Parliament cannot discuss any proposals which the Government considers to be in conflict with the provisions and objects of the law on the re-establishment of budgetary equilibrium.

It will be evident from an examination of these provisions that the draft law, which has been approved by the Delegation, entirely fulfils the conditions laid down in Article IV of the Protocol.

#### 4. PROVISIONS RELATING TO THE RE-ESTABLISHMENT OF CONTROL

*(Article VII of the Protocol).*

Article 6 of the draft law provides that the law shall remain in force until such time as the Council of the League of Nations signifies that the equilibrium of Hungary's finances is assured, and that, in the event of control being re-established, the law shall again come into force automatically, as laid down in Article VII of the Protocol.

#### 5. OBLIGATIONS OF THE HUNGARIAN GOVERNMENT AS LAID DOWN IN PARAGRAPH 3 OF ARTICLE II OF THE PROTOCOL

Arrangements have been made in the half-yearly budgets to enable the Hungarian Government to meet the charges resulting from the Treaty of Trianon as fixed by the Decision of the Reparation Commission No. 2797 of February 21st, 1924.

#### 6. AGREEMENTS RELATING TO PRE-WAR DEBTS

Article 3 of the draft law, which confers authority to contract loans under the conditions laid down in the Protocols, empowers the Government :

To conclude agreements and to carry out agreements already concluded with the Governments of the countries concerned or with the representatives of the persons concerned, in regard to the settlement of Hungary's financial obligations towards other States or towards nationals of other States; and

To ratify the Conventions concluded on the basis of such agreements.

The Hungarian Government has informed the Delegation that it proposes to lay before Parliament, at the same time as the Law on the re-establishment of budgetary equilibrium, a law for the ratification of agreements already signed between itself and certain of its creditors. It has accordingly included, in the expenditure side of the budget, appropriations based either on the agreements already concluded or on estimates of those charges the amount of which is not yet contractually determined.

#### 7. PROVISIONS RELATING TO THE ASSETS ASSIGNED TO THE LOAN

As soon as the reconstruction law referred to above has been passed by the Hungarian Parliament, the application of the system provided for in Article XI of Protocol II will be secured in virtue of Article 3, which empowers the Finance Minister to assign to the service of the loan the gross Customs, tobacco monopoly and sugar-tax revenue, the net revenue from the salt monopoly, and any other revenue (except that from the State Railways) of which the Commissioner-General

or the Trustees may at any time, in virtue of Articles IX and X of Protocol II, require the assignment.

The law further gives the Minister of Finance authority to secure, in the same way and on the same revenues, the service of any advances or short-term loans which the Government may think fit to negotiate before the actual loan, and which may be repayable out of the yield of the latter.

The law also confers upon the Hungarian Government the right to assign to the service of the loan, in a manner which must not compromise the execution of the agrarian reform, the lands (and the revenues from the lands) which have become State property under the Law on the redemption of capital.

In accordance with paragraph 1 of Article XI of Protocol II, Article 3 of the Reconstruction Law stipulates that the assigned revenues shall be paid directly, as they are received, into a special account, the control of which is reserved to the Commissioner-General, and after the termination of his functions to the Trustees.

The Delegation thought it desirable to ask the Hungarian Government to decide forthwith upon the conditions under which the assigned revenues should be collected, paid into the special account, and controlled by the Commissioner-General. These conditions are defined in a letter dated March 14th, 1924, from the Prime Minister, Count Bethlen, to the Delegation of the Council of the League of Nations (Annex 3).

## 8. BUDGET

Under the terms of the Protocol, the programme to be established by the Delegation must specify for successive periods of six months the maximum expenditure which may be incurred, the minimum amount which may be withdrawn from taxation, and the maximum deficit for each of those periods. It must also include an agreement on definite proposals for reducing expenditure under the various heads and for raising taxes to specified rates.

The Delegation requested the Government not to fix the total suggested revenue in the last half-yearly budget, in the course of which equilibrium is to be reached, at a higher figure than 400 million gold crowns. It seems clear that this figure, which is equivalent to 50 gold crowns per head of population, must be regarded as the limit of the country's fiscal capacity. The Delegation did not consider it excessive, as the local taxes additional to the State taxes are comparatively small in Hungary, and as, moreover, the law on the re-establishment of budgetary equilibrium enables the Government to prevent any exaggerated increase in the local taxes.

In view of the fact that the budget, when balanced, is to yield a reserve in the form of a certain surplus of revenue over expenditure, the expenditure in the last half-yearly budget should be less than 400 million gold crowns. The Delegation further agreed that, in calculating this figure, the net budget only should be taken into account; in other words, there would be deducted both from the revenue and from the expenditure figures the working expenses of the monopolies, the miscellaneous revenue from sources other than taxation, and the yield of the tax on railway traffic, which is collected by the railways themselves, and which must, of course, remain at their disposal for the purpose of reducing their deficit.

The table of half-yearly budgets [Annex 2 (b)] shows that provision has been made for a sum of 100 million gold crowns, out of the yield of the loan, to be set aside to cover the deficit on the first year of reconstruction (July 1st, 1924—June 30th, 1925), and a sum of 50 millions to cover the deficit on the second year (July 1st, 1925—June 30th, 1926). For the third year, revenue shows a surplus of 13 millions over expenditure. Provision has been made for a sum of 60 million gold crowns to be taken from the loan and to be employed in covering the deficit and in settling arrears up to June 30th, 1924.

After deducting from the total yield of the loan (250 millions) the amounts set aside to cover the deficit (60 plus 100 plus 50) together with 12.5 millions representing six months' interest on the loan, which the lenders may require to have deposited, the amount remaining available is 27.5 millions, which, according to the plan proposed by the Delegation, forms a reserve for unforeseen contingencies.

(a) *Expenditure.*

The Financial Committee's Report (Annex to Protocol II) contains the following reference to expenditure :

"While certain economies in expenditure, to which we refer below, are possible in certain directions, a net increase rather than reduction in terms of gold crowns must be anticipated as compared with the expenditure of last year."

A comparison of the half-yearly budgets will show that it has been impossible to effect a progressive reduction of the expenditure, owing partly to the very large increase in expenditure in connection with the debt, partly to the necessity of providing for the service of the loan itself, and partly to the fact that the Hungarian Government will be obliged to resume, by successive stages, the service of a portion of its obligations. Moreover, owing to the depreciation of the crown, the salaries of State employees had so shrunk in value that it appeared neither possible nor compatible with the interests of the State to refuse to take steps to increase them. In connection with the increase in salaries, the item in the 1924 budget for State expenditure upon allocations in kind to employees will disappear as from the end of the first half-year of 1924. The increase in salaries comprises :

- (1) A grant intended to replace the allocations in kind;
- (2) A grant in compensation for the increased expenditure which is involved, for employees, by the amendment of the rents legislation;
- (3) An actual increase with a view to bringing the pay of employees into closer relation with the normal rates of salaries.

The increase in salaries will be partially balanced by the reduction in the number of employees, the Government having undertaken (Annex 2 (a), Chapter II, paragraph 2, of the Draft Law on the Re-establishment of Budgetary Equilibrium) to reduce the staff employed in the public services by 15,000.

Pensions will not be increased at the same rate as salaries. For instance, officials retiring with less than fifteen years' service will receive only 60 per cent of the sum to which they would ordinarily be entitled. Those retiring with more than fifteen years' service will, when the increase in salaries takes place, receive only 80 per cent of the increase.

(b) *Receipts.*

The yield which the taxes should produce has been calculated in detail on the basis of the legislation at present in force, and the new provisions, which have been definitely laid down in Annex (a) to the law for the re-establishment of budgetary equilibrium.

The rate for the *land tax* is to be raised from 20 to 25 per cent of the net cadastral revenue. The tax on business turnover will remain unchanged until the end of 1925; the intention is, however, to reduce it after that date, in order to mitigate the harmful effects of this tax. The very considerable increase in the yield

from the tax on house property and from the participation of the State in receipts from rents is attributable to the modification of the rent laws.

The yield from direct taxation is estimated at 156,000,000 gold crowns, and that from indirect taxation at 244,000,000.

(c) *Control.*

In framing the half-yearly budgets, and also in drafting the bill for the re-establishment of budgetary equilibrium, the Delegation has tried to ensure the smooth working and efficacy of the control. All State receipts and expenditure have to be shown in the budget. Every order for payment must contain a reference to the relevant chapter in the budget. The Minister of Finance, after consulting the departments concerned, will draw up a monthly estimate of the expenditure and receipts for each of the various Ministries. The expenditure estimates may in no case be exceeded without the consent of the Ministry of Finance. Accounts for closed fiscal periods will be sent in monthly by all Ministries, and put together by the Finance Ministry. With a view to facilitating control, the budget has been divided into the following chapters :

- Service of the debt,
- Obligations arising out of the Treaty of Peace,
- Ministry of War,
- Ministry of the Interior,
- Ministry of Finance,
- Ministry of Education,
- Other Ministries,
- Contribution to expenditure of local administrations,
- Pensions,
- Capital expenditure,
- State undertakings.

In each of these chapters there are separate columns for staff expenditure and expenditure on material.

9. — BANK OF ISSUE

Under the law for the foundation of the Bank of Issue, the latter must be constituted within one month after the promulgation of the law, and should begin operations within one month after it has been constituted. Its capital will amount to 30 million gold crowns.

The Statutes of the Bank form an integral part of the Law for the foundation of the Bank. The law and statutes make the Bank completely independent of State control, and confer on it the sole right to issue notes.

The State, Provinces and Municipalities may not issue notes or borrow from the Bank.

Government officials and members of the National Assembly are disqualified for membership of the Governing Body. The latter will include representatives of agriculture, industry, commerce, and banking. Although the statutes lay down the general rule that the Bank may only discount three-months bills, consideration of the peculiar exigencies of an essentially agricultural country has shown that it will be necessary to contemplate the possibility of accepting, so far as may be consistent with the cash position of the Bank, bills maturing at not more than six months, provided that they conform to the general rules regarding signatures, which are contained in the statutes, and that at least one of the signatories is an agriculturist.

Under Article 51 the Bank undertakes the conversion into foreign currencies of the sums paid in by the Hungarian Government in Hungarian crowns to the Reparation Commission's account, in conformity with paragraph (f), Part X of the Financial Committee's Report.

In accordance with paragraph 2, Article XIII of Protocol II, Articles 121-127 of the statutes provide for the appointment during the reconstruction period of an adviser who will be given powers enabling him to keep acquainted with the operations of the Bank, and who will possess a right of veto in certain circumstances. Under Article 121 the post of adviser shall be re-established, if the conversion into foreign currencies of the sums paid by Hungary, in Hungarian crowns, into the Treaties obligations account should have been suspended for two years.

As regards points of detail, the Bank Statutes are a faithful reproduction of the various recommendations contained in the Financial Committee's Report.

#### 10. — ISSUE OF THE RECONSTRUCTION LOAN.

The Delegation requested the Hungarian Government to take the necessary steps to obtain the release of all assets which are to be assigned to the service of the loan from any charges which would have priority over the loan itself. The Hungarian Government has undertaken to enter into the necessary negotiations for this purpose. There is ground for hoping that these negotiations will shortly lead to a successful result, as the sums in question are quite small.

The Delegation recommended that the Hungarian Government should, in the first place, take steps for the floating of a short-term loan, to produce from 90 to 100 million Swiss francs, which would be repayable eventually out of the yield of the long-term loan.

The Government has informed the Delegation that, after negotiating with the Budapest Banks, it has reason to hope that they will agree to give a joint guarantee for the entire short-term loan; a group of industrialists and merchants, and another group consisting of the principal agriculturists would give their own guarantee to the banks for a portion of the loan.

#### 11. — EXECUTION OF THE PROGRAMME.

The Hungarian Government has given the Delegation the following particulars regarding the dates on which it thinks it would be possible to carry out the various measures for the execution of the reconstruction scheme.

All the draft laws on which the Government came to an understanding with the Delegation will be laid before Parliament about March 28th. The discussion in the Parliamentary Finance Committee and the Parliamentary debates should be concluded, and the Government hopes that the laws will be passed by about April 17th, that is before the beginning of the Easter holidays. The Constituent Assembly of the Bank will be convened about the end of April, and after the conclusion of the agreements provided for in the Statutes, which will enable the exact amount of the Government's debt to the Bank to be ascertained and will permit of a thorough examination of the commercial bills which the Bank has to take over, the Bank should be able to open for business some time in May. The negotiations for the short-term loan might be begun as soon as the laws have been passed and should be concluded at the very moment when the Bank begins operations.

If these expectations are fulfilled, the first sums produced by the short-term loan should be placed at the disposal of the Government about the end of May.

The Government has estimated its requirements up to the end of June 1924 on the above bases. Its requirements represent both the current deficit and the settlement of outstanding debts (including the winding-up of the Devisenzentrale); they also include its requirements in paper crowns for the payment of current expenditure and of outstanding debts in Hungary, together with its requirements in foreign currencies for the payment of external obligations (current expenditure and outstanding debts).

The question of the Treasury's requirements is complicated by the necessity of holding a certain quantity of foreign currencies to meet the requirements of individuals. After a careful enquiry into the twofold problem before it (namely the covering of the budgetary deficit in paper and in foreign currencies and the supply of foreign currencies to the market), the Government informed the Delegation that it proposed to take the following measures :

(1) The paper crown deficit will be reduced by using the yield of a compulsory loan, which had been decided on before the arrival of the Delegation and an instalment of which it is at present collecting. The first payment of this instalment (March 10th to 15th) has yielded 200 milliard paper crowns.

(2) The Government will employ a sum amounting to 22 million gold crowns which it has in its possession, being part of the proceeds of the liquidation of the Austro-Hungarian Bank; about half of this sum is already assigned as security for part of the liabilities of the Devisenzentrale.

(3) The Government will obtain about 15,000,000 Swiss francs in foreign currencies by exporting certain stocks of cereals accumulated by the Ministry of Food, which it has been decided to abolish <sup>(1)</sup>.

(4) The Government has entered into negotiations with the Hungarian banks and with certain industrial circles with a view to obtaining an advance of the value of 24,000,000 Swiss francs, in foreign currencies, against the yield of the short-term loan.

Taken as a whole, the above measures will reduce the Government's external payments to a minimum during the period March to May, and will accordingly place in its hands sufficient foreign currencies to satisfy the requirements of the public (provided that these requirements remain at about the same level as during the preceding weeks); the Government will then be able to wait until the short-term loan is available. While providing for the necessary repayment of the advance previously obtained from the banks, the Government would be able to transfer to the Bank at this date a considerable portion of the stock of foreign currencies produced by the loan, and this sum would constitute the Bank's initial reserve.

In a letter (Annex 4) the Government has undertaken to abstain from employing the Note Issue Office to meet its cash requirements, except for the settlement of debts actually outstanding. The total debt of the Government to the new Bank will not exceed 110 million gold crowns at the time when the Bank begins its operations.

#### CONCLUSION.

The Delegation desires, at the conclusion of its work, to inform the Council that it has met with no unexpected difficulty in the execution of its mandate and that it is confident that the financial reconstruction of Hungary can be effected

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(1) *Note by the Secretariat.* — The Government has now informed the Delegation that, as a result of these negotiations, the banks and manufacturers have placed at its disposal an advance of 20 million Swiss francs in foreign currencies.

on the basis of the provisions suggested by the Delegation which form the subject of the present report.

The Full Powers Law as at present submitted to Parliament will furnish the Government with all the necessary means for carrying out the essential measures of reform. The budget estimates which are summarised in Annex (b) of the Full Powers Law have been carefully prepared and the Delegation has no reason to fear that they will not be realised.

The estimated revenue is not in excess of what may be expected on a moderate estimate of the fiscal capacity of the country. The draft provides for a sufficient margin of security in the utilisation of the loan funds.

The Statutes of the Bank are satisfactory and provide full guarantees against any risk of inflation. The financial measures contemplated to cover the deficit during the period of transition will, subject to such modifications and adaptations as circumstances may require, give the Hungarian Government the necessary time for the negotiation of the loan.

The Delegation is confident that this work of international co-operation undertaken under the auspices of the League of Nations will be carried out under favourable conditions and will lead to most highly satisfactory results for Hungary.

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## Annex 1 to Document IX.

### MAIN PROVISIONS OF THE LAW ON THE RE-ESTABLISHMENT OF BUDGET EQUILIBRIUM

#### Article 1.

(1) The action taken by the Government in signing Protocols Nos. I and II, which were prepared in co-operation with the League of Nations, and in accepting the obligations laid down in these Protocols, has been ratified, and the Protocols have been embodied in the national law.

(2) The original French text and the official Hungarian translation of Protocols Nos. I and II referred to in paragraph (1) read as follows :

*[Here follows the text of Protocols I and II.]*

#### Article 2.

(1) The Government shall be authorised to take action in accordance with the obligations assumed under the Protocols set out in Article 1 and in conformity with the report submitted by the League of Nations Financial Committee to the Council of the League, and the present Government and all future Governments shall have full authority to carry out the financial scheme set forth in that report, in particular by putting into force the measures specified in the present law and the annexes thereto, which form an integral part of this Article (see Annexes (a), detailed provisions, and (b), half-yearly budgets for financial reconstruction). The necessary measures to this effect may be enforced by decree, even if they are inconsistent with the relevant existing laws.

(2) The Government or, in the cases mentioned in the Annex, the Minister named therein, shall be authorised to take the following action :

(a) With the object of curtailing expenditure, of adjusting salaries, and reducing the number of persons employed in the public service, the Government or the Minister may relieve the treasury departments of the duty of actually handling money and thus convert them into fiscal authorities of the first instance, modify the system of State book-keeping in agreement with the Director of the Audit Office, discontinue the official flour subsidy, readjust the salaries of persons employed in the public service, having regard to the abolition of the system of obtaining certain services at reduced prices, reduce the number of persons employed in the public service, grant to pensioners, when the general level of salaries is fixed, increased rates—which will continue during the period required for the re-establishment of budget equilibrium, to be lower than the general rates of increase—to extend the existing office hours, and gradually to abolish the practice whereby the State granted temporary advances to towns and communes;

(b) With the object of increasing revenue, the Government or the Minister may settle the basis of assessment and the method of collecting public charges calculated on the basis of the value of the gold crown, make a readjustment of the rates of certain direct taxes, fees and duties, reorganise certain public charges and take all measures required for regulating the finances of the *comitats* and municipalities;

(c) The Government or the Minister may take any measures necessary for the gradual abolition of rent restrictions.

#### Article 3.

(1) The Minister of Finance shall be authorised :

(a) To raise, during the execution of the financial scheme referred to in Article 2, a loan redeemable by annual payments, yielding 250 million gold crowns, to meet such demands made up to June 30th, 1926, as cannot be met by ordinary revenue.

The bonds of this loan may be issued partially or wholly in terms of foreign currencies or gold. The capital and the interest on the loan shall be paid without any deductions being made in respect of any taxes, stamp duties, redemption fees or other public charges whatsoever which may be in force now or hereafter in Hungary;

(b) To furnish as security, for the purpose of guaranteeing the service of the loan mentioned in the present article, the (gross) revenues from the Customs, from the sugar tax, from the Treasury's share in payments for sugar, and from

the tobacco monopoly, together with the net revenue from the salt monopoly. The Minister of Finance is further authorised—at the request, made in accordance with the provisions of Article X of Protocol No. II, of the Commissioner-General appointed by the Council of the League of Nations or of the Trustees mentioned in Article IX of Protocol No. II, which was signed under the auspices of the League of Nations—to furnish as security for the service of the loan, in addition to the yield of the State revenue mentioned above, other specific revenues and assets except the revenues from State railways. The revenues thus assigned will be paid direct, as and when collected, into a special account, which is to be opened in accordance with the terms of Article XI of Protocol II and placed under the control of the Commissioner-General or of the Trustees, as the case may be,

(c) To assume, in the contract regarding the issue of the loan, the obligation to establish a special sinking fund for the purpose of shortening the period of amortisation of the loan, so as to provide for the payment (after the deliveries of coal referred to in Part VIII, Annex V, Section 1, paragraph 2, of the Treaty of Peace of Trianon regarding reparations have been completed) of an annual sum to an amount not exceeding the market value of these deliveries of coal,

(d) To negotiate, as a provisional credit pending the placing of the loan redeemable by annual payments which is to be raised as provided for in (i), advances repayable out of the proceeds of the loan. The revenues which are to serve as security for the redeemable loan under (ii) may also be utilised as security for such advances. The repayment of the advances may also be effected, at the desire of the lender, in bonds of the redeemable loan to be issued in accordance with (a),

(e) To assign as security for the service of the loans to be raised by the State the lands of which the State has obtained possession in virtue of Law XLV of 1921 under the terms of the capital levy, together with any income which may accrue therefrom, and to take the necessary steps to give legislative effect in civil law to the above undertaking

This measure shall not in any way affect the execution of agrarian reform.

(2) The Government is further authorised

(a) To raise loans, to cover the needs of the State railways in respect of capital expenditure, by furnishing as security therefore the receipts and assets of the railways themselves as soon as the financial position of the latter makes it possible to obtain such loans;

(b) To conclude agreements, and to execute those already concluded with the Governments of the various countries or with the representatives of the parties concerned, regarding the settlement of Hungarian financial obligations to other States or to the nationals of other States, and to ratify conventions entered into on the basis of the agreements in question

*Article 4.*

(1) If it appears in the course of the execution of the present law that the provisions contained therein do not suffice to achieve budget equilibrium on a sound and lasting basis within the period fixed in the financial scheme mentioned in Article 2, the present or any future Government shall be empowered to take additional measures either by reducing expenditure or by increasing revenue, or by both these methods, within such limits and in such manner as may be necessary to secure the desired object, without, however, being obliged to apply in advance for further Parliamentary sanction in respect of the measures in question

(2) The powers granted in the present law shall not release the Government from the obligation imposed under the Constitution to frame a budget and to submit it to the legislature. During the period in which the measures necessary for the re-establishment of budget equilibrium are in force, the National Assembly may not discuss any schemes or proposals to increase the expenditure or reduce the revenue of the State which are contrary to the provisions and objects of the present law. The Government or any one of its members shall be entitled to decide whether a scheme or proposal is contrary to the provisions and objects of the present law.

*Article 5*

(1) During the period in which the provisions of Article 3 and the annexes supplementary to Article 2 attached to the present law are in force, the Government shall, in

the case of a measure which, under the constitution of the country, comes within the competence of the legislature, communicate the proposed measure in advance to the Commission specially set up for this purpose by the National Assembly. This Commission will be composed of 33 members and will elect its Chairman from its members. The Commission will carry on its duties during the period when the National Assembly is not in session and after the dissolution of the Assembly, in the latter case until the new legislative body assembles. The Commission shall possess the power of supervision, in accordance with the constitution of the country, as regards measures adopted or proposed by the Government in execution of the provisions contained in Article 3 of the present law, and in the annexes appended to the law, as a complement to Article 2, as follows : it may request the Government to furnish information and the latter shall be bound to supply it, it may investigate matters connected with the carrying-out of the programme of re-establishment of budget equilibrium and may revise the accounts connected therewith; it may draw the attention of the Government and of the National Assembly to any eventual defects it may observe concerning the execution of the programme, and, finally, it may propose that the National Assembly should render the Government responsible for them. The Government shall be bound to communicate to the Commission in advance the measures which it has adopted or contemplates adopting in conformity with the above provisions, even if at the time when action becomes necessary the National Assembly is not in session. The Commission shall be bound to submit its resolution to the National Assembly within three days. If, however, the National Assembly is not in session, the report shall be submitted during the next session. The order of discussion shall be fixed by the Commission itself in accordance with the rules of procedure of the Chamber.

(2) The notification thus made to the Commission of the National Assembly constituted in accordance with paragraph 1 and the discussions or decisions of the Commission shall not prevent the Government or the competent Minister from putting into force the proposed decrees or from taking the measures which the Government or the Minister considers to be necessary.

(3) The obligation imposed upon the Government in paragraph 1 of the present Article shall also apply to measures to be taken by virtue of the powers conferred in Article 4.

#### *Article 6.*

(1) The present law shall come into force on the day of its promulgation and shall continue in operation until the Council of the League of Nations, by virtue of Article VI, No. 10, of Protocol No. II, referred to in Article 1 of the present law—and also in the event of the re-establishment of control on the basis of Article VII of Protocol No. II regarding financial control—has ascertained in pursuance of the present articles that the financial stability of Hungary is assured.

(2) The following provisions shall be abrogated by the coming into force of the present law as from the dates which will be laid down in the decrees to be promulgated in accordance with Annex (a), attached to the present law, and supplementary to Article 2 :

Articles 1 to 4, 7, 11, 12 and 13 of Law XXI of 1921, regarding the new assessment of the tax on landed property;

Article 7, and the second paragraph of Article 8 of Law XXXIII of 1923, concerning the Agricultural Chamber duty;

Article 27 of Law XXIV of 1922 concerning the corporation tax;

The laws concerning the tax on income and annuities, the transport tax, the lotteries tax, shooting and gun licences, the railway war-tax, the general income surtax, the health insurance surtax and the military service tax;

Paragraph 4 of Article 25 of Law XXXIV of 1920 regarding duties on the transfer of property;

Articles 1 to 8 and 14 to 16 of Law XXXIX of 1921 and Nos. 1 to 3 of Article 13 of Law XVII of 1922, together with No. 11 of Article 37 of Law XXXIX of 1921 concerning the tax on milling and on business turnover;

Article 11 of Law XXXVIII of 1908.

(3) The Government shall forward as soon as possible to the Council of the League of Nations an authenticated copy of the present law together with a French translation.

(4) The Minister of Finance shall be responsible for the execution of the present law and shall take all necessary measures in conjunction with the other Ministers concerned.

(Signed) COUNT ETIENNE DE BETHLEN,  
Prime Minister.

Budapest, March 27th, 1924.

[Two annexes relating to Article 2 are subjoined to the text of the law. Annex (a) sets out in detail the provisions regarding reduction of expenditure, the fixing of salaries and the reduction of the number of persons employed in the public service; and measures for increasing revenue and for the gradual removal of rent restrictions.

Annex (b) is reproduced below in extenso]

Annex (b) to Article 2.

**HALF-YEARLY FINANCIAL RECONSTRUCTION BUDGETS**

*Detailed Programme of Budget Reform.*

1	2	3	4	5	6	7
	1924 1st half-year	1924 2nd half-year	1925 1st half-year	1925 2nd half-year	1926 1st half-year	1926 2nd half-year
	In millions of gold crowns					
Service of the loan <sup>(1)</sup> . . . . .	8.6	37.6	41.4	58.2	53.-	65.6
Charges under the Peace Treaty . .	7.3	7.-	7.-	7.-	7.-	6.-
Army . . . . .						
Personnel . . . . .	9.1	26.5	32.5	32.5	32.5	32.5
Other expenditure . . . . .	43.1	42.3	42.3	37.1	37.1	37.-
Ministry of the Interior . . . . .						
Personnel . . . . .	14.7	29.7	34.8	31.9	31.3	30.7
Other expenditure . . . . .	7.7	7.-	7.-	6.3	6.3	5.9
Finance Ministry : . . . . .						
Personnel . . . . .	12.1	21.5	25.-	25.1	24.8	23.4
Other expenditure . . . . .	9.7	9.-	9.-	7.95	8.55	8.05
Ministry of Education . . . . .						
Personnel . . . . .	11.3	27.5	32.6	33.2	33.3	32.7
Other expenditure . . . . .	7.8	7.5	7.5	6.75	6.75	6.45
Other administrative departments .						
Personnel . . . . .	20.-	34.8	40.2	40.4	39.7	38.9
Other expenditure . . . . .	19.7	18.4	18.4	15.9	15.9	14.2
Grants in kind . . . . .	41.-	—	—	—	—	—
Subsidies to independent administrative bodies . . . . .	15.-	20.2	20.2	20.2	20.4	20.4
Pensions . . . . .	34.4	50.6	60.8	60.9	62.9	63.6
Investments . . . . .	16.4	12.-	12.-	12.-	12.-	12.-
<b>TOTAL . . . . .</b>	<b>277.9</b>	<b>351.6</b>	<b>390.7</b>	<b>395.4</b>	<b>391.5</b>	<b>397.4</b>
Less railway transport receipts . .	13.-	7.-	7.-	8.-	8.-	10.4
<b>BALANCE . . . . .</b>	<b>264.9</b>	<b>344.6</b>	<b>383.7</b>	<b>387.4</b>	<b>383.5</b>	<b>387.-</b>
Deficit on undertakings <sup>(2)</sup> . . . .	76.3	28.-	32.-	24.-	26.-	—
<b>TOTAL . . . . .</b>	<b>341.6</b>	<b>372.6</b>	<b>415.7</b>	<b>411.4</b>	<b>409.5</b>	<b>387.-</b>
Surplus receipts of the tobacco and salt monopolies <sup>(3)</sup> . . . . .	23.9	34.6	34.-	39.6	39.4	43.-
Receipts from public services . . .	141.7	253.-	266.7	311.4	330.5	357.-
<b>TOTAL . . . . .</b>	<b>165.6</b>	<b>287.6</b>	<b>300.7</b>	<b>351.-</b>	<b>369.9</b>	<b>400.-</b>
<b>DEFICIT . . . . .</b>	<b>(4) 175.6</b>	<b>85.-</b>	<b>115.-</b>	<b>60.4</b>	<b>39.6</b>	<b>+13.-</b>

N. B. — The figures for each stage are given on the basis of an annual budget.

(1) The net loan requirements have been given, it should be noted that the receipts deducted are the following : (a) receipts from clearing operations, viz., approximately 2 million crowns a year, (b) receipts from land acquired as payment of the capital tax, viz., approximately 6 million crowns a year.

(2) It is contemplated that special loans to cover their capital expenditure requirements should be raised by the State railways, when their working results are such as to make this possible.

(3) The net figures for the tobacco and salt monopolies are as follows

	1924 I	1924 II	1925 I	1925 II	1926 I	1926 II
<b>Tobacco Monopoly . . . . .</b>						
Expenditure . . . . .	18.4	25.-	26.-	29.-	31.-	32.5
Receipts . . . . .	36.3	50.-	52.-	58.-	62.-	65.-
<b>Salt Monopoly . . . . .</b>						
Expenditure . . . . .	3.9	6.4	5.2	7.-	5.6	7.-
Receipts . . . . .	9.7	16.-	13.2	17.6	14.-	17.5

(4) The figures given under this head are the actual figures in the budget for the financial year 1923-24. As less than half the financial year has still to run, 60 million gold crowns, from the external loan, in addition to the estimated yield of the internal loan, will be necessary for the coming months, up to June 30th, 1924. (a) first, to cover existing arrears, (b) secondly, to cover the deficit which will arise after the printing of bank notes, has been stopped.

*Estimated Revenue in millions of gold crowns.*

(The figures for each stage are given on the basis of an annual budget.)

1		2	3	4	5	6	7	8
Source of Revenue		45 733% of the actual figures for 1913	1924 1st half-year	1924 2nd half-year	1925 1st half-year	1925 2nd half-year	1926 1st half-year	1926 2nd half-year
Direct taxes	Taxes on landed property	28.3	6.1	33.-	33.-	33.-	33.-	33.-
	Taxes on buildings. . . .	22.3	0.7	1.1	8.1	8.1	19.6	20 -
	Share in profits obtained from house property. .	—	1.3	10.3	18.5	27.1	38.2	35.-
	Tax on trading companies	9.3	1.6	5.2	4.-	7.6	7.1	8.-
	Tax on income and on capital. . . . .	—	24.5	40.-	36.-	56.-	50.-	60.-
	General taxes. . . . .	53.4	0.3	—	—	—	—	—
	TOTAL. . . . .	113.3	34.5	89.6	99.6	131.8	147.9	156.-
Tax on business turnover. . . .		0.2	65.3	80.-	80.-	66.-	64.-	65.-
Indirect taxes. . . . .		108.7	8.2	30.-	30.7	40.-	44.-	48.-
Taxes on commodities. . . . .		134.8	23.1	31.-	31.-	41.-	42.-	47.-
Customs. . . . .		38.7	10.1	22.-	25.-	32.-	32.-	40.-
Saccharine and lottery monopolies .		1.2	0.5	0.4	0.4	0.6	0.6	1.-
Net proceeds of salt monopoly . . .		13.7	5.8	9.6	8.-	10.6	8.4	10.5
Net proceeds of tobacco monopoly .		52.4	18.1	25.-	26.-	29.-	31.-	32.5
TOTAL. . . . .		463.-	165.6	287.6	300.7	351.-	369.9	400.-

Budapest, March 27th, 1924.

(Signed) COUNT ETIENNE DE BETHLE N,  
Prime Minister

**Annex 2 to Document IX.**

LETTER ADDRESSED BY THE PRIME MINISTER OF HUNGARY TO THE CHAIRMAN OF THE DELEGATION OF THE COUNCIL OF THE LEAGUE OF NATIONS, FORWARDING DRAFTS OF THE RECONSTRUCTION LAW, THE LAW CONCERNING THE ESTABLISHMENT OF THE NEW BANK OF ISSUE AND THE STATUTES OF THE BANK.

Budapest, March 21st, 1924

Sir,

Under the terms of Article II of Protocol No. II, the Hungarian Government was to draw up, in co-operation with the Delegation of the Council of the League of Nations, a programme of reform and reconstruction, the character of which was defined in the Protocol.

I have the honour to forward to you the French translation of the text of the draft reconstruction law, on which the Government has arrived at agreement with the Delegation. This law provides for the ratification of the Protocols, the carrying-out of a programme of reform and the granting to the Government of the full powers necessary to execute the programme and to take such other measures as may be required for the re-establishment of budgetary equilibrium. The Annexes attached thereto contain : (a) a description of the provisions suggested, and (b) the draft half-yearly budgets covering the period of reconstruction which will be presented to Parliament at the same time as the law.

The Protocol further provides (in Article XIII) that the Hungarian Government shall prepare, in collaboration with the Delegation, a law concerning the establishment of a new Bank of Issue. You will find attached a French translation of the Draft Law, as drawn up after discussion-between the Government and the Delegation, together with the Statutes of the new Bank, which form an annex to this law.

I have the honour to assure the Delegation that the translations of these various documents are in complete conformity with the Hungarian originals which are to be submitted to Parliament for approval.

In pursuance of the decisions which have been taken by agreement between the Government and the Delegation, the Hungarian Government intends to submit these documents to Parliament in the course of next week. It hopes that the laws and the annexes thereto may be finally approved before the Easter holidays. The constituent meeting of the Bank would, in that case, be held immediately afterwards, within the time limit laid down in the Statutes. The Bank could probably begin operations during the month of May and from that date onwards any recourse to fiduciary inflation on the part of the Government will, of course, under the terms of the Bank's Statutes, become impossible.

These arrangements have been made in the hope that it will be possible for the Hungarian Government to arrive at an agreement with lenders and to obtain, before the final loan, a short-term loan in foreign currencies yielding approximately 100,000,000 Swiss francs, in the second half of May.

From now onwards the Hungarian Government will make every effort to comply with the recommendations contained in the report of the Financial Committee as regards the abolition of an official quotation for the crown different from the open market quotation, and as regards the progressive re-establishment of a free exchange market and the gradual removal of the restrictions imposed on foreign and domestic trade.

(Signed) BETHLEN.

### Annex 3 to Document IX.

LETTER ADDRESSED BY THE PRIME MINISTER OF HUNGARY TO THE CHAIRMAN OF THE DELEGATION OF THE COUNCIL OF THE LEAGUE OF NATIONS REGARDING THE ADMINISTRATION OF THE ASSETS TO BE ASSIGNED TO THE SERVICE OF THE RECONSTRUCTION LOAN.

Budapest, March 14th, 1924.

Sir,

With reference to the discussion which we had to-day on the question of the assigned assets and in accordance with the request of the Delegation, I have the honour to state the intentions of the Hungarian Government in regard to the application of Article 5 of the Reconstruction Law.

The assigned revenue will be automatically paid into a special account controlled by the Commissioner-General and kept at the Bank of Issue.

For this purpose, the gross receipts of the Customs Offices will—seeing that branches of the Bank do not exist in all the places where duties are collected—be paid in each day to the Post Offices and will be entered in a special account in the Postal Savings Bank and transferred at once to the account of the Bank of Issue without passing through the Treasury account.

Customs Offices situated in places which do not possess Post Offices will pay over the assigned receipts once a week to the Post Office which is nearest to them.

The bonded tobacco stores may only deliver tobacco to private persons and to shops on the production of receipts proving that the payments in cash have been made to the credit of this special account, through the Post Offices or the Bank of Issue as the case may be, and that the money has not at any moment been at the disposal of the bonded tobacco stores or the Treasury.

The tax (and the supplementary tax) on sugar must not be paid into the general account of the Treasury, but will be paid by the producers to the special assigned assets account, at the request of the revenue authorities. The receipt showing payments into this account will relieve them of all obligation to the financial agents of the Hungarian Government.

The financial administration of the salt monopoly must be established on an independent basis, and the receipts and expenditure must be entered in a special State account, separate from the general Treasury account. The credit balance of this account will be transferred each month to the assets account at the Bank of Issue.

A daily statement of payments to the credit of the assets account will be forwarded every day by the Bank of Issue to the Commissioner-General, together with details as to the source from which the receipts are derived.

In order to make sure that these entries represent the total amounts payable, the administrative services which issue the payment warrants in respect of the assigned

receipts will forward each week to the Commissioner-General a return compiled from their books, showing the total figures of the warrants issued by them.

The Customs Administration will supply a certificate from each Postmaster, guaranteeing on his own responsibility the accuracy of his weekly statements of account; it will also give the total figures of these various statements of account.

The Tobacco Administration will forward a statement of weekly sales classified according to categories of products, together with details as to their value; certificates issued by the heads of bonded warehouses and signed by them will be attached to this statement.

Information as to the returns issued each week by the Fiscal Administration in respect of the sugar taxes will also be forwarded to the Commissioner-General, together with the weekly statement of receipts and expenditure in connection with the salt monopoly.

(Signed) BETHLEN.

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#### Annex 4 to Document IX.

#### LETTER FROM THE PRIME MINISTER OF HUNGARY TO THE CHAIRMAN OF THE DELEGATION REGARDING THE NOTE ISSUE OFFICE.

Budapest, March 21st, 1924.

Sir,

Following upon the discussions of the last few days between the Hungarian Government and the Delegation of the Council of the League of Nations, I have the honour to communicate to you the following declaration :

The Hungarian Government undertakes not to have recourse in future to the national Note Issue Office for its Treasury requirements, except for the settlement of arrears now outstanding. Any loans which it may contract with the Office for this purpose will be so limited as to ensure that the total of the Government debt with the new Bank shall not, at the moment when the Bank begins its operations, exceed 110 million gold crowns.

(Signed) BETHLEN.





THE  
MONTHLY SUMMARY  
OF THE  
LEAGUE OF NATIONS  
MAY 1924

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Vol. IV. No. 5

Published on June 15<sup>th</sup>.

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# MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

MAY 1924

Vol. IV. No. 5.

Published on June 15th

## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month</i> . . . . .	85	c) The Preparatory Committee on Statistics . .	94
II. <i>The Permanent Court of International Justice</i> . . . . .	86	3. <i>Communications and Transit</i> . . . . .	94
Application of the Greek Government . . . . .	86	First Session of the Special Committee of Inquiry into the Reform of the Calendar . . . . .	94
III. <i>Reduction of Armaments</i> . . . . .	87	4. <i>Intellectual Co-operation</i> . .	95
Session of the Permanent Advisory Commission for Military Naval and Air Questions . .	87	VI. <i>Administrative Questions</i> . . .	96
IV. <i>General Questions</i> . . . . .	88	1. <i>Danzig</i> . . . . .	96
1. Convocation of the Fifth Assembly . . . . .	88	2. <i>The Saar</i> . . . . .	97
2. Visit of the King and Queen of Roumania to the Secretariat of the League of Nations . . . . .	88	a) Seventeenth Report of the Governing Commission . . . . .	97
3. The International Conference on Emigration and Immigration . . . . .	89	b) Development of the Local Gendarmerie . . . . .	99
4. Tenth Session of the Supervisory Commission . . . .	89	VII. <i>Social and Humanitarian Questions</i> . . . . .	99
V. <i>Technical Organisations</i> . . . .	90	1. <i>Refugees</i> . . . . .	99
1. <i>The Health Organisation</i> . .	90	a) Meeting of the Greek Committee of the Council . . . . .	99
Second Session of the Health Committee . .	90	b) Sums expended by the Greek Government on the Relief and Settlement of Refugees in Greece . . . . .	101
2. <i>The Economic and Financial Organisation</i> . . . . .	92	2. <i>Traffic in Opium</i> . . . . .	101
a) Meeting of Experts on Unfair Competition . .	92	VIII. <i>Forthcoming Events</i> . . . . .	101
b) Twelfth Session of the Economic Committee . .	93		

Communications concerning the *Monthly Summary* should be addressed to the Information Section, League of Nations, Geneva.

### I. — Summary of the Month.

The convocation of the fifth Assembly, a conference of experts on the question of unfair competition, and meetings of various League committees, such as the Greek Committee of the Council, the Committee for the Reform of the Calendar, the Health Committee, the Economic Committee and the Permanent Advisory Committee for Military, Naval and Air Questions, were the principal events of the League of Nations in May.

The Acting President of the Council, M. Guani (Uruguay), addressed a letter on May 1st to the Governments of States Members, convening the fifth Assembly for Monday, September 1st, at Geneva.

The Permanent Court of International Justice received from the Greek Government an application based on Article 26 of the Palestine Mandate, relating to certain contested concession claims of a Greek national in the Jordan Valley, Jerusalem and Jaffa.

Progress was made in the preparatory work in connection with international conventions. Proposals of the League Economic Committee with regard to the drawing up of a convention on unfair competition were examined at a conference of experts at Geneva. The Permanent Advisory Committee for Military, Naval and Air Questions considered from a technical point of view a draft convention for the control of the traffic in arms and munitions, drew up rules for the classification of different kinds of arms and munitions and agreed upon a definition of "war material".

With regard to the League's activity in the economic field, the Economic Committee continued its work on the subject of unfair competition, the treatment of foreign nationals and enterprises, the constitution of the technical organ provided for by the Convention on Customs Formalities, co-operation with the International Labour Office in its inquiry on unemployment; and the Committee of Statistical Experts examined the steps to be taken with a view to co-ordinating the methods adopted in statistics of industrial production and classification of industries.

Progress was also made in international public health work. The League Health Committee completed the plans for its malaria investigation and considered the possibility of promoting the conclusion of special agreements with a view to simplifying port sanitary formalities.

The questions of inter-university co-operation, the exchange of professors and students and the co-ordination of analytical bibliography in connection with physics and physical chemistry were discussed at sub-committee meetings of the Committee on Intellectual Co-operation.

Pending the completion of its inquiry, the Committee for the Reform of the Calendar discussed the possibility of fixing the date of Easter.

The seventeenth periodical report of the Governing Commission of the Saar Territory was received by the Secretariat. The Commission, moreover, requested the Secretariat to notify the Members of the Council of its decision to increase by 400 instead of 200 men the numerical strength of the local gendarmerie corps during the current financial year.

At a meeting in London, the Greek Committee of the Council decided to prolong the term of office of the Greek Refugee Settlement Commission, the Government having received a further loan of one million pounds for settlement purposes. The Committee particularly emphasised the necessity of continuing the relief work and increasing the assistance which, up to the present, had greatly alleviated the fate of the refugees.

The Acting President of the Council, at the invitation of the Italian Government, attended the opening ceremony of the International Emigration Conference, which took place at Rome on May 15th.

During the latter half of the month, the Secretary-General, accompanied by the Director of the Political Section of the Secretariat, paid a visit to the Norwegian, Swedish and Danish Governments.

## II. — The Permanent Court of International Justice.

### APPLICATION OF THE GREEK GOVERNMENT

The Greek Government, on May 12th, submitted to the Permanent Court of International Justice an application, based on Article 26 of the Palestine Mandate,

relating to rights claimed in Palestine by a Greek subject, M. Mavromatis, in respect of certain contracts and agreements entered into by him with the local authorities when Palestine was under Turkish sovereignty.

In the application it is stated that M. Mavromatis, a public works contractor in Turkey, had obtained, or was on the point of obtaining, in 1914, certain concessions from the Turkish authorities in Palestine. These concessions concerned the construction and operation of electric tramway lines, the distribution of electric light and power, the supply of drinking water in the cities of Jerusalem and Jaffa, and the irrigation of the Jordan Valley.

Palestine having been separated from Turkey after the war and placed under British Mandate, M. Mavromatis laid before the new Government of the country a request that his concessions in Jerusalem and Jaffa should be re-adapted to the new economic conditions. After failing to reach an agreement with the Zionist Organisation and the British Colonial Office, M. Mavromatis appealed to his Government. Proposals of the latter were not accepted by the British Foreign Office.

In these circumstances the Greek Government has submitted to the Permanent Court an application based on Article 26 of the Palestine Mandate, which reads :

The Mandatory agrees that, if any dispute whatever should arise between the Mandatory and another Member of the League of Nations relating to the interpretation or the application of the provisions of the Mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice.

The Greek Government, in accordance with the Court Statute, has appointed M. Kaloyannis, formerly member of the Mixed Courts in Egypt, to sit in the Court *ad hoc*.

The Permanent Court will meet on June 16th in ordinary annual session, when the Mavromatis case will be heard.

### III. — Reduction of Armaments.

#### SESSION OF THE PERMANENT ADVISORY COMMITTEE FOR MILITARY, NAVAL AND AIR QUESTIONS

The Permanent Advisory Committee for Military, Naval and Air Questions met from May 12th to 20th in Paris, with Commander Tweedie (Great Britain) in the chair.

The Committee had before it a certain number of questions referred to it by the Council at the request of the Temporary Mixed Commission, including the establishment of a classification of arms and munitions which might form the basis of a convention on the international control of the traffic in arms. The Committee agreed upon the division in three categories of the different kinds of arms and munitions : *a*) arms and munitions designed exclusively for land, naval or air warfare, however they may be utilised; *b*) arms and munitions which may be utilised in warfare and otherwise; *c*) arms and munitions of no military value.

The Committee further agreed upon a definition of war material with a view to drawing up a convention on the control of the private manufacture of munitions and war material.

Finally, the Committee examined from a technical point of view the draft convention on the control of the international arms traffic prepared at the March meeting of the sub-committee of the Temporary Mixed Commission.

## IV. — General Questions.

### 1. — CONVOCATION OF THE FIFTH ASSEMBLY

The Acting President of the Council, M. Guani (Uruguay), in a letter to the Governments of States Members, convened the Fifth Assembly for Monday, September 1st, 1924, at Geneva.

The Assembly will have to consider, in the first place, the work of the Council since September 1923. It will examine the measures taken to carry out the decisions of the preceding Assembly, particularly as regards the reduction of armaments, intellectual co-operation, international legal assistance for the poor and slavery.

As in preceding years, the various League Commissions, such as the Economic and Financial Commission, the Advisory Committee on Communications and Transit, the Health Committee, the Opium Committee, the Committee on Traffic in Women and Children, the Committee on Intellectual Co-operation, etc., will present to the Assembly reports on their work.

Among the items on the provisional agenda figure proposals of the British Government concerning amendments to Article XVI. of the Covenant; the question of closer inter-municipal relations, raised by the Cuban Government; and a request of the Lithuanian Government touching the reference of certain questions to the Permanent Court of International Justice.

The Assembly will also have to elect six non-permanent Members of the Council and to draw up the rules concerning the duration of their mandate and their re-eligibility. The present non-permanent Members are Belgium, Brazil, Czechoslovakia, Spain, Sweden and Uruguay.

### 2. — VISIT OF THE KING AND QUEEN OF ROUMANIA TO THE SECRETARIAT OF THE LEAGUE OF NATIONS

The King and Queen of Roumania, on May 9th, paid a visit to the Secretariat of the League of Nations. The Secretary-General welcomed Their Majesties in the following words :

Your Majesties,

It is a signal honour which you have paid us to-day by your acceptance of the proposal which I ventured to make that perhaps, as Your Majesties were in Switzerland, you might think fit to visit the Secretariat of the League of Nations.

Will Your Majesties allow me first of all, in the name of myself and of my colleagues here, to wish you a very humble but heartfelt welcome? But the presence of Your Majesties in this building has a broader significance. It is, I now, a tribute paid by the King and Queen of Roumania to the ideal of the League of Nations, and as such, we, who are the servants of the League, are indeed happy because of it.

Although Your Majesty's country and Your Majesty's Government have shewn the warmest interest in, and sympathy for, the League, as I was able fully to convince myself when I had the honour last year of visiting Bucharest at the invitation of Your Majesty's Government, I know that this visit will serve to create an even wider support for the League in Roumania, and cannot but strengthen the ties which already link Roumania to the great international organisation whose object it is to preserve peace and to promote peaceful co-operation between peoples.

If my belief is justified, I know that Your Majesties will feel that, apart from all other considerations, Your presence here, for which we thank you and which we most highly appreciate, is indeed worth while.

His Majesty replied :

The Queen and I, being in Switzerland, are happy to pay a visit to the League of Nations.

We thus bring you new proof of the feelings of Roumania towards this high international institution.

Having realised, after centuries of suffering and persecution, their national unity, seeking peace to consolidate themselves, pursuing no aggressive aims, desiring the integral maintenance of and loyal respect for existing treaties, the Roumanian people are specially attached to the work of peace, solidarity, and concord which is the object of the League of Nations.

Doubtless this work is only at its beginning, but the League has already proved itself, and its authority is increasingly affirmed day by day.

As for Roumania, she will always be ready, as you were convinced on your visit to Bucarest, to support you in assuring in the world the triumph of the ideal of humanity and justice which the League of Nations pursues.

I thank you in the name of the Queen and of myself for the reception which you have given us and I wish to see your efforts and those of your colleagues crowned with uninterrupted success.

### 3. — THE INTERNATIONAL CONFERENCE ON EMIGRATION AND IMMIGRATION

At the invitation of the Italian Government, the Acting President of the Council of the League, M. Guani (Uruguay), was present at the inauguration of the International Conference on Emigration and Immigration on May 15th, at Rome.

M. Mussolini, the Italian Prime Minister, opening the Conference in the name of the King of Italy, referred with satisfaction to the presence of the Acting President of the Council of the League and of the President of the Governing Body of the International Labour Organisation

The Acting President of the Council, M. Guani, addressing the Conference, said :

It was with a deep emotion that I received the invitation which the Royal government of Italy addressed to me, as President for the time being of the Council of the League of Nations, to attend the opening ceremony of the present Conference. It is as the representative of the League of Nations that I express to-day my earnest good wishes for the success of the Conference. All efforts which aim at improving in any field the relations between different peoples, all efforts tending towards the elimination of causes of international differences and the multiplication of the bonds of friendship and of common interests which may bind together the different nations of the world, must always be the object of the keenest and most sympathetic interest on the part of the League of Nations. In the four years of its existence, the League of Nations has worked single-heartedly towards these beneficent ends, and I think I am entitled to say that it has accomplished much. This is not the time for me to try to lay before you any record of that accomplishment, but you will allow me to take this opportunity of expressing my conviction that much of what has been done would have been impossible without the help and collaboration of Italy. That collaboration has taken the form not only of the work contributed by the many able representatives of this country — whether in the field of statesmanship or in that of technical achievement — but also by the sympathy of the Italian nation which has long been famed for its interest in political science.

I feel sure that I may take the invitation in virtue of which I am here to-day as a proof that the League may always continue to count on Italian collaboration and Italian sympathy.

In the name of the Council of the League of Nations I express the confident hope that the work of the present Conference may be crowned with unalloyed success, to the lasting benefit of all the nations of the world.

### 4. — TENTH SESSION OF THE SUPERVISORY COMMISSION

The League Supervisory Commission, composed of M. Stefan Osusky (Czechoslovakia), Chairman; Lord Meston of Agra (India), Vice-Chairman; Dr. J. A. Nederbragt (Netherlands), rapporteur; M. Réveillaud (France) and M. Luis Waddington (Chile), met from May 7th to 14th at Geneva.

The Commission considered the report of the Auditor, M. Ceresa (Italy), on the accounts for 1923, and the budgets for 1925 submitted by the Secretariat of the



League, the International Labour Office and the Permanent Court of International Justice. Various amendments to these budgets, compiled in accordance with the recommendations of the Assembly and the Commission, were effected in agreement with the Secretary-General and the representatives of the special organisations.

## V. — Technical Organisations.

### 1. — THE HEALTH ORGANISATION .

#### *Second session of the Health Committee.*

The League Health Committee met from May 7th to 10th in Paris. The following members were present :

Dr. Th. Madsen, President (Denmark); M. O. Velghe (Belgium), Sir George Buchanan (Great Britain) and Dr. H. S. Cumming (United States), Vice-presidents; Professor Leon Bernard and Dr. L. Raynaud (France); Dr. H. Carrière (Switzerland); Dr. Chodzko (Poland); Dr. Jitta (Netherlands); Professor Ricardo Jorge (Portugal); Dr. Lutrario and Professor Ottolenghi (Italy); Dr. Mimbela (Peru); Professor B. Nocht (Germany); Professor G. Pittaluga (Spain); Professor Tsurumi (Japan).

*Completion of the Membership of the Committee.* — The Committee decided to recommend to the Council of the League that Professor Jean Cantacuzène of the University of Bucarest, a member of the Office International d'Hygiène publique and of the Central Committee of the Roumanian Red Cross, should be made a member of the Health Committee, as the representative of the Mixed Commission of the League of Red Cross Societies and the International Committee of the Red Cross.

*The Anti-Malarial Campaign.* — A definite plan was adopted for dealing with the question of malaria in Europe. This plan, prepared by a Sub-Committee that has been studying the question for some months, provides for a thorough investigation of the present position, both by malaria experts designated as corresponding members by the health administrations of countries in which malaria exists, and by an investigation on the spot by the Malaria Sub-Committee.

It is proposed to confine the work of the Committee to Europe as a beginning, although full advantage will be taken of the experience gained in fighting malaria in non-European countries. Reports are being submitted by corresponding members from Great Britain, Denmark and Holland, where malaria has been completely or almost extirpated within recent times, as well as from countries in South-Eastern Europe where malaria has always existed and has spread greatly since the war. The Sub-Committee is to visit Yugoslavia, Roumania, the Ukraine and Russia, returning to Italy, where the result of its investigations will be embodied in a report. The object of its investigations, which are merely preliminary, is not to furnish advice as to the best way of dealing with malaria, but to gain full and reliable knowledge of the actual situation in the countries visited.

At the request of the Albanian Government, Dr. Haigh, a former member of the League Epidemic Commission, who recently presented a report on the incidence of malaria in Albania, has been commissioned to complete the malaria survey in that country and to present a report, on the basis of which the Malaria Committee will prepare a technical plan for the use of the Albanian Government.

*The World's Quinine Supply.* — In connection with the work on malaria the question of the supply of quinine in relation to the world's needs as well as the

medical efficacy of quinine and other cinchona alkaloids will be studied by a committee of five experts.

*The Far Eastern Epidemiological Intelligence Bureau.* — The Health Committee recommended to the League Council that Singapore be chosen as the site for the Far Eastern Epidemiological Intelligence Bureau the creation of which was approved at the last session of the Council.

*Dutch Proposal Concerning Quarantine Clearance for Ships.* — The Committee considered the Dutch Government's proposal for facilitating international maritime traffic, by allowing a ship which had been given a clean bill of health at one port whose sanitary equipment had been internationally recognised as efficient, to touch at subsequent ports without re-examination, provided there was no sickness during the voyage. This, it was decided, was primarily a matter to be regulated by conventions between two or more adjacent states, based on Article 41 of the International Sanitary Convention of 1912, which provides for the conclusion of complementary agreements to meet local conditions. The Committee, therefore, recommended that Governments should conclude separate agreements of this kind, entrusted a Sub-Committee with the task of studying the practical measures necessary to facilitate the conclusion of such agreements, and placed its services at the disposal of Governments which may desire to use the League for the mediation of difficulties arising out of such agreements.

*The World's Medical and Scientific Needs in Opium and Dangerous Drugs.* — At the request of the preparatory Committee, which is collecting data for the Opium Conferences to be held in November 1924, the League Health Committee decided to undertake supplementary investigations in order to obtain more detailed information in support of the figure of 450 milligrammes of raw opium per head per year, which it gave as a maximum for the medical and scientific requirements of countries with a well-developed medical service. This information, which is to be obtained by means of direct enquiries from hospitals and insurance companies, is to include figures for the use of cocaine. The Health Committee is also to prepare a full report as to the advisability of continuing the use of heroin for medicinal and scientific purposes, and on other points raised by the conclusions of its Sub-Committee.

*Appointment to the Governing Board of the London School of Hygiene.* — The Committee considered a request that it should appoint a member to the Governing Board of the London School of Hygiene and Tropical Medicine. The Governing Board lays down the general programme of education for the School, and, as it is desired to widen this education with a view to making it applicable not only in England but also in other countries, it was considered essential to have one of the governors nominated by the League Health Committee. The Committee selected for this purpose Sir George Buchanan, the British member and Vice-President of the Health Committee.

*The Teaching of Public Health and Social Questions.* — Four new members were added to the Sub-Committee which is making an enquiry and preparing a report on the teaching of public health and social questions in the different countries of Europe, America and Japan. This was a task accepted by the Provisional Health Committee at the request of various governments before the Permanent Committee was formed. The interest in this question is considerable, for it is generally realised that the connection between health instruction and progress in sanitary efficiency is very close.

*The system of Interchanges.* — The Committee expressed its gratification at the success of the system of interchanges of medical health personnel organised

by the League Health Committee largely with the aid of funds from the Rockefeller Foundation.

There is already a small sum on the League budget for this purpose and the Committee, in view of the fact that the system of interchanges "is proving of permanent value to a very large number of Public Health services and lends itself eminently to facilitating an intimate collaboration between the Public Health Services of all countries through the intermediary of the Health Organisation of the League", resolved that "the organisation of interchange of medical officers of health has proved its practical utility and ought to be continued systematically", and therefore recommended that there should be an increased allocation for this purpose in the League budget for 1925, in order to prepare the way for the time when the League would have to take over the full expense of the interchanges.

*Sera, Serological Tests and Biological Products.* — Dr. Madsen, the President of the Committee, presented a report on the work accomplished by the Sub-Committee for the standardisation of biological products, and on the present stage of the work on the standardisation of sera and serological tests.

## 2. — THE ECONOMIC AND FINANCIAL ORGANISATION <sup>(1)</sup>

### a) *Meeting of experts on unfair competition* <sup>(2)</sup>.

The Conference of Experts, which met at Geneva from May 5th to 9th to study the draft articles for a convention on unfair competition prepared by the Economic Committee, drew up a succinct statement of principles, as the result of a close scrutiny of the draft from a technical and scientific point of view. This statement has been submitted to the Economic Committee.

The Experts were drawn from Australia, Austria, Belgium, China, Czechoslovakia, Denmark, Esthonia, Finland, France, Germany, Great Britain, Holland, Italy, Japan, Luxemburg, Norway, Poland, Roumania, Kingdom of the Serbs, Croats and Slovenes, Spain, Sweden and Switzerland. The Director of the International Bureau for the Protection of Industrial Property attended in a consultative capacity.

The Experts recommended that States Members of the Union for the Protection of Industrial Property should be asked to assure legal redress, including penal remedies to nationals of other contracting countries in case of fraudulent use of trade-marks.

Suitable penal measures should be framed to prevent the fraudulent or misleading use of trade designations other than trade-marks (names, styles of firms, headings of printed matter, emblems, etc.). Such measures should apply not only to the reproduction of designations or pictorial representations or both, but also to colourable imitations of the same, as well as to false indications of origin or of identity of the producer, manufacturer or merchant; whenever such practices might cause confusion as to the origin of the goods in question. In addition to this the provisions of the Union for the Protection of Industrial Property should be applied notably as concerns the seizure at the frontier of important products with an illegal trade-mark or commercial name.

The experts also recommended the prohibition of registration or unauthorised use of national emblems or arms of the Contracting States or of official hall-marks or signs indicating official warranty, or of any colourable imitations, as trade-marks or as parts of trade-marks. This regulation should apply only in the case of goods similar to the goods for which the hall-mark or sign in question would imply a guarantee.

(1) For the meeting of the Council Committee on the Greek Refugees Settlement Scheme see *Social and Humanitarian Questions*.

(2) See Meeting of Economic Committee (a).

Lastly, the Contracting States should prohibit the registration and provide for the cancelling of any trade-mark which is notorious in trade as a mark owned by a national of another state; aggrieved persons should be allowed a period of five years in which to apply for the cancellation of improperly registered trade-marks. The registration of a trade-mark should be forbidden or an already registered trade-mark should be cancelled whenever its registration would constitute an act of unfair competition as defined above in the second paragraph of the experts' recommendations.

*b) Twelfth session of the Economic Committee.*

The Economic Committee held its twelfth session from May 8th to 12th at Geneva, under the chairmanship of M. Winiawski (Poland). The other members present were :

M. J. Brunet (Belgium);  
M. Barboza Carneiro (Brazil);  
M. Dvoracek (Czechoslovakia),  
M. Heer (Switzerland);  
M. Jensen (Denmark);  
M. Matsuyama (Japan);  
M. Negulcea (Roumania);  
M. Pugliesi (Italy);  
M. Serruys (France);  
Sir Hubert Llewellyn Smith (Great Britain).

M. Ador, who is President of the joint Financial and Economic Commission, also took part in the proceedings.

The Committee held joint meetings with the experts who had been invited to examine the draft proposals on unfair competition previously prepared by the Committee <sup>(1)</sup>. Having carefully considered the experts' recommendations and the explanations given in the joint meetings, the Committee decided to adopt provisionally the main lines of these recommendations as a basis for the preparation of a definitive programme to be submitted to the Hague Conference of the Industrial Property Union next year. The details will be examined at the Committee's next meeting in August, and the programme will be submitted to the Council with a view to its transmission to the Assembly, to the Members of the League and to the States Members of the Union, with such recommendations as the Council may think proper.

Steps are to be taken meanwhile to consult with the Inter-American High Commission on the contents of the draft programme as affecting American States.

The Committee completed its draft of the Constitution and Rules of Procedure for the technical organ to be set up under the Customs Formalities Convention as a consultative body on differences which may arise regarding the interpretation and application of the Convention. The project will be presented to the next Council meeting.

The Committee continued its examination of the treatment of foreign nationals and enterprises already admitted to a country in accordance with its laws. A series of recommendations made by the Committee on this subject was adopted by the Third Assembly, and the Committee is now devoting its attention to the right of entry into professions, industries and occupations, together with such matters falling under the heads of "droits d'établissement" as have an economic character, other than those already dealt with in the previous recommendations.

On the subject of the protection of consumers against worthless goods—sub-

(1) See special article under (a).

mitted by the delegations of eleven South American States during the last Assembly—the Committee heard M. Zumeta of Venezuela, the author of the proposals, and is now awaiting replies to enquiries addressed to certain South American States. The Committee hope to make recommendations to the Council in time for submission to the next Assembly.

In connection with its collaboration with the International Labour Organisation on the enquiry into unemployment, the Committee considered it desirable that the League's Monthly Bulletin of Statistics should include a certain number of the special indices of economic conditions prepared by expert authorities in different countries. The Committee also instructed the Secretariat to take measures for the preparation of a report for eventual publication dealing with certain aspects of the economic crisis in connection with monetary conditions.

### c) *The Preparatory Committee on Statistics.*

The Preparatory Committee on Statistics met from May 12th to 14th at Geneva.

This Committee, appointed in connection with the Economic Committee's efforts towards securing uniformity of methods, is composed as follows :

M. Delatour (French);  
M. A. W. Flux (English);  
M. Hanosek (Czech.);  
M. Jensen (Danish);  
M. Julin (Belgian);  
M. Loveday (Secretariat of the League);  
K. Lucien March (French);  
M. Mataja (Austrian);  
M. Methorst (Dutch);  
M. Negulcea (Roumanian);  
M. Pribram (International Labour Office);  
Sir Henry Rew (English);  
M. Verrijn Stuart (Dutch);  
M. Wurzbürger (German).

At this session the Committee discussed the steps to be taken with a view to co-ordinating the methods adopted in the statistics of industrial production and classification of industries. It divided itself into five Sub-Committees to consider the following branches of the question :

- (1) Statistics of stocks of raw materials, and products in the hands of merchants.
- (2) Statistics of current production (industries under excise regulations, etc.).
- (3) Census of industrial production.
- (4) Classification of industries for the purposes of statistics of production.
- (5) General questions.

The general line of study was agreed upon and rapporteurs were appointed to pursue the problems in close collaboration with the other members of the Committee pending the next meeting.

## 3. — COMMUNICATIONS AND TRANSIT

### *First Session of the Special Committee of Inquiry into the Reform of the Calendar.*

The Special Committee of Inquiry into the Reform of the Calendar met in Paris on May 19th and 20th (1). The following members were present :

(1) See *Monthly Summary*, Vol. III, No. 8, p. 177.

Jonkheer van Eysinga (Chairman).

The Rev. Father G. Gianfranceschi, President of the Institute "dei nuovi Lincei".

Professor Eginitis, Director of Athens Observatory.

The Rev. T. E. R. Phillips, Secretary of the Royal Astronomical Society, London.

M. Bigourdan, former Chairman of the Calendar Committee of the International Economic Union.

Mr. Willis H. Booth, President of the International Chamber of Commerce.

The Committee considered various questions relating to an eventual reform, chiefly in relation to the fixing of Easter. After noting the results of an inquiry undertaken with a view to ascertaining the opinion of Governments and various ecclesiastical authorities, the Committee came to the conclusion that the information so far obtained from these two sources did not appear sufficient for its purpose. It therefore decided to extend its inquiry to the International Chamber of Commerce, the International Labour Office, international statistical bodies, international railway organisations, the International Postal Union, the International Agricultural Institute, etc.

At its next session, which will take place in October, the Committee will consider the opinions of certain religious sects which have not as yet been able to state their views on the subject.

#### 4. — INTELLECTUAL CO-OPERATION

Two Sub-Committees of the League Committee on Intellectual Co-operation met at Brussels from April 29th to May 3rd.

*Sub-Committee on Inter-University Relations.* — The Sub-committee on Inter-University Relations had before it a proposal of the Spanish Government for the setting up of an international university and for the recognition in universities of different countries of certain secondary school and university degrees and examinations.

After careful consideration, the Sub-Committee came to the conclusion that it was not possible at present to set up an official international university, but that steps might be taken immediately to organise co-operation between universities by international exchanges of professors and students. In this way, not the internationalisation of universities but the universalisation of university studies would be obtained. The measures already taken by the different States and universities for facilitating exchanges of this sort are so numerous and so important that the system can be rapidly extended, simply by collecting and giving wide publicity to the facilities now available.

The Sub-Committee decided to publish this information in the Quarterly Bulletin issued by its Office of University Information. It further submitted a series of resolutions to the plenary Committee for (1) encouraging employment of foreign professors in universities, (2) the developing existing international scientific institutes, (3) organising instruction on the great international problems of to-day, and on the economic, political and moral life of contemporary nations. There are already courses of this kind, such as the international courses of Geneva and Vienna universities and the International University of Brussels, the international law Studies at The Hague, international courses at the University of Chicago and Williams College, and courses at London and Aberystwyth Universities.

On the subject of the equivalence of diplomas, the Sub-Committee expressed the wish that examinations in different countries should be recognised as equivalent on a large scale.

Finally, the Sub-Committee expressed the wish that States and universities should publish regularly the list of recognised equivalent degrees and certificates

and that these lists should be exchanged through the International Office of University Information. The lists could be published in the Bulletin of the Office.

The President of this Sub-Committee is Professor Gilbert Murray, of Oxford University. Its members are Mr. Colman, Director of the American University Union in Europe; Professor de Reynold, of Berne University; M. Destree, former Minister of Arts and Sciences of Belgium; M. Henri Lafontaine, Vice-President of the Belgian Senate; M. Luchaire, Inspector-General of Higher Education in France; and Professor Serigafombona, of the University of Caracas. M. Castellijo, Secretary-General of la Junta para ampliacion de Estudios of Spain, also attended the session of the Sub-Committee.

*The Bibliographical Sub-Committee.* — This Sub-Committee took the first steps towards carrying out its programme of analytical bibliography, whose object it is to assist scientists in keeping themselves informed of the work done in their subjects in other countries. The Committee on Intellectual Cooperation had suggested the summoning of special technical conferences for the different branches of science and this meeting may be considered as an instance of these conferences. After a thorough discussion, in which some of the directors of the scientific publications concerned took part, the Committee agreed upon definite proposals, which are to be communicated to the editors of journals on physics and physical chemistry; the adoption of these proposals would make it possible to put complete documentary information at the disposal of students of this branch of science.

The Sub-Committee took note of a report by M. Godet on the steps taken to publish a bibliographical index (a file of publications on current bibliography and existing bibliographical institutes).

The Chairman of the Bibliographical Sub-Committee was M. Lorentz, Professor at Leyden University. The members present were Mlle. Bonnevie, Professor at Christiania University; Madame Curie, Director of the Radium Institute of France; MM. Destree and Luchaire, Mr. Hagberg Wright, Director of the London Library, and M. Godet, Director of the National Library, Berne. The Sub-Committee had furthermore invited several experts to take part in the session. Thus M. Lafontaine took part in the discussions on establishing contact with the International Institute of Bibliography at Brussels, of which he is one of the Directors. M. Bacha, Director of the Belgian Service of Exchange of Publications, took part in the discussion on the revision of the Brussels Convention 1886, for the exchange of publications. Several experts representing the associations and publications concerned took part in the discussion on preparing a bibliography of physics and physical chemistry. These experts were Mr. Cooper, Director of the review of *Science abstracts*; M. Fulcher, representing the National Research Council; M. Cotton, Professor at the Sorbonne, representing the "Union de Physique Pure et Appliquée"; M. Marie, Director of the *Journal de Chimie-Physique*; M. Langevin, Professor at the Collège de France and Director of the *Journal de Physique*; M. Gerard, representing the "Association internationale de Chimie Pure et Appliquée"; Thirring, editor of the *Physikalische Zeitschrift*.

## VI. — Administrative Questions.

### 1. — DANZIG

Agreement has been reached by the Danzig and Polish Governments on the following points :

1° The right of the Harbour Board to contract loans; 2° the right of the Harbour Board to dispose of its property; 3° the participation of Danzig in the work of the Berne Railway Conference; 4° the issue of passports to Danzig nationals abroad.

## 2. — THE SAAR

a) *Seventeenth Report of the Governing Commission.*

The seventeenth report of the Saar Governing Commission, which has been received by the Secretariat, describes the situation in the Saar Territory and the work of the Governing Commission during the first three months of 1924. The report shows the following main features

*Economic and Social Situation.* — The economic situation was largely influenced by the fluctuations on the exchange market. The temporary fall of the French franc at the beginning of the year was partly responsible for an increase in the cost of living; it rendered more acute the scarcity of credit and led to demands on the part of the labouring population for more wages. Increases in wages were granted in the iron and finishing industries, in the mines and to railwaymen. As a result of these measures and the mediation of the Commission, strikes were averted. Towards the middle of March, the rapid appreciation of the French currency brought about an improvement in the situation.

The output of the mines in March—1,321,700 tons—was the highest on record since the coming into force of the Peace Treaty.

Unemployment is slightly on the decrease. The Governing Commission, after negotiations with the representatives of the trade unions, has undertaken to set up a Saar Chamber of Labour, to include employers', workers' and Government representatives.

*Political Situation.* — The elections for the renewal of the Advisory Council were held on January 27th, 1924. No disturbances took place, although the percentage of voters was higher than in previous elections. The results were :

Centre. . . . .	14 seats (— 2)
Socialists . . . . .	6 — (+ 1)
Communists . . . . .	5 — (+ 3)
Liberals and Democrats. . . . .	4 — (— 1)
Landowners' Union. . . . .	1 — (— 1)

The members of the new Council may be classified according to professions as follows :

Trade Union Secretaries . . . . .	7
Farmers. . . . .	4
Factory workers . . . . .	3
Lawyers. . . . .	2
Industrialists. . . . .	2
Miners . . . . .	2
School Teachers . . . . .	2
Railwaymen. . . . .	2
Clerks. . . . .	2
Artisans. . . . .	1
Journalists. . . . .	1
Clergy. . . . .	1
Without profession. . . . .	1

M. Kossman, who has acted as President of the Advisory Council ever since its creation, was appointed by the Council of the League a member of the Governing Commission as from April 1st, 1924. The Governing Commission decided to call to the presidency, provisionally, the senior assessor of the Executive Committee of the Advisory Council, M. Pierre Scheuer (Centre), a journalist of St. Ingbert, who in 1922 and 1924 had been unanimously elected to this post.

The Advisory Council met on March 5th, 1924, with an agenda including an important draft decree on Customs legislation and two draft decrees on housing,



rents and farm lease legislation. To this agenda will be added later a certain number of drafts which are at present being considered by the Technical Committee.

The Technical Committee was reconstituted by the Governing Commission at the beginning of the year. With two exceptions it is composed of the same members as the original committee.

*Administrative Work.* — As the result of an agreement between the Governing Commission and the French Government, the contribution of the State Mines to the Saar budget has been definitely fixed with due regard to the ratio of the value of the Mines (estimated at 346 million gold marks) to the total taxable wealth of the Territory (estimated at 1995 million gold marks). The most important part of this agreement will come into force in 1925, when the coal tax, by which the Mines have up to the present contributed to the budget, will be abolished, and the fixed contribution of the Mines, for a period of three years, will be equivalent to about one sixth of the budget of the Territory.

*Finance.* — The work connected with the general budget for 1924 is well advanced. As a result of the introduction of the new fiscal laws, the increased railway and postal rates, and the maintenance of the contribution from the Administration of the State Mines for the financial year 1924, it has been possible to balance the budget.

The general financial situation of the Territory has been largely influenced by the lack of credit facilities, the fluctuations in the exchange and the high bank rates. These three limiting factors have had an unfavourable influence in the Saar as elsewhere. Steps have been taken to provide increased credit facilities in the Territory, the effects of which will be felt in the coming months.

*Travelling facilities.* — As a result of representations made by the Governing Commission to the Inter-Allied Rhineland Commission and to the military authorities of occupation, the free passage of Saar inhabitants through occupied territories has been facilitated.

Since the beginning of the year, 500 new motor-cars have been registered, the number of motor-cars in the Territory now being 6,000. When the Governing Commission was first established, there were only 400 cars circulating in the Territory.

*Public Works.* — The Saar railway traffic is steadily increasing : the amount of coal handled daily averages 40,000 tons as against 35,000 last year. In view of the general increase of the cost of supplies, the railways raised their rates during the first quarter of 1924.

Since the end of the first half-year of 1923, a steady increase has been recorded in all branches of the postal traffic.

The statistics on inland navigation in 1923 show striking progress. The tonnage of imported products rose from 37,933 in 1921 to 300,805 in 1923. The export tonnage during the same period rose from 183,513 to 558,513. This increase encouraged the Public Works Department to recommend the construction of a river port at Saarbruck independent of the State Mines Port. The Governing Commission agreed in principle to the scheme, which will probably be carried out, with the assistance of the Saarbruck municipality, in the spring of 1924.

*Public Relief and Social Hygiene.* — Apart from pensions to disabled service men, important sums were paid out, during the first quarter of 1924, as special grants or for assistance in kind to disabled men and surviving dependents of war victims.

*Agriculture.* — The Department of Agriculture has devoted special attention to promoting instruction in agriculture. To this end, several series of well-attended lectures were given in every district and locality. Agricultural apprenticeship has been made the object of special study...

The report concludes in the following terms :

"In the first quarter of 1924, the outstanding political event was the elections to the Advisory Council; from an administrative point of view, the main feature of the period was the settlement of the important question of the State Mines contribution; in the economic and social field, a real improvement in the general situation, notwithstanding the difficulties created by the state of the exchange market. A year has now elapsed since the beginning of the protracted miners' strike; the Governing Commission notes with satisfaction that the Saar Territory is gradually recovering from this crisis and has entered a new period of real prosperity."

#### b) *Development of the Local Gendarmerie.*

The Chairman of the Governing Commission of the Saar Territory has informed the Council of the Commission's decision, to increase the local gendarmerie corps by 400 men during the current year. The programme of the Commission for 1924-1925 provided for an increase of 200 only <sup>(1)</sup>.

During the discussion of the Saar budget, which took place in the first fortnight of April, the Commission ascertained that the financial position allowed of a greater increase of the local police forces than that provided for in its programme. In these circumstances, the Commission, to comply with the recommendation of the Council at its March session, decided to increase the corps by 400 gendarmes.

The total strength of the Saar gendarmerie corps, which at present numbers 355 men, will therefore be increased to 755 by the end of the fiscal year 1924-1925.

## VII. — Social and Humanitarian Questions.

### 1. — REFUGEES

#### a) *Greek refugee settlement scheme.*

*Meeting of the Greek Committee of the Council.* — The Greek Committee of the Council of the League met in London on May 7th to consider the future work of the Refugee Settlement Commission.

The following members were present :

M. Clauzel . . . . .	France.
Lord Parmoor . . . . .	Great Britain.
Marquis Della Torretta . .	Italy.
M. Caclamanos . . . . .	Greece.
Mr. Morgenthau . . . . .	President of the Greek Refugee Settlement Commission, and
M. Diomedes . . . . .	Governor of the National Bank of Greece.

In a statement on the present position of the work of the Commission, Mr. Morgenthau gave the following information.

Of about one million refugees who have returned to Greece from Asia Minor since the late war with Turkey, about 350,000 were, either through their own efforts and those of the Greek Government or through the Commission, now settled in productive work. The work of the Commission had been financed by means of a short term advance of £1,000,000 which had been almost entirely spent. A further advance of another £1,000,000 had been arranged, which would enable the work to continue until the winter, when it was hoped the long term loan of

(1) See *Monthly Summary*, Vol. IV, No. 3, p. 61.

£6,000,000 to £8,000,000 contemplated by the League as necessary for the settlement of the refugees could be issued. The great improvement in the economic and political stability of Greece in the last few weeks offered a good prospect of the successful accomplishment of the work. The League had therefore continued the powers of the Settlement Commission.

The Greek Committee drew attention to the need for the continued, and if possible, increased assistance from charitable sources. It laid stress upon the fact that the money advanced for the settlement scheme would only be used for establishment of the refugees in direct productive work, which is necessarily a gradual process. In the meantime the refugees awaiting their turn for settlement could only be supported by charitable efforts.

The following resolutions were passed :

(1) The Greek Committee of the Council, acting under the full powers delegated to it by the Council in March,

Recognising the considerable improvement in the stability of the economic and political situation in Greece, and

Being informed by the Greek representative that a further advance of £1,000,000 has been arranged under the same conditions as those of the first advance for expenditure on the settlement of the refugees under the terms of the Protocols

Decides to continue the work of the Refugee Settlement Commission and declares its intention to proceed with the scheme as described in the Protocols.

On the understanding that the long term loan will be negotiated as soon as conditions are opportune, the general scheme being maintained subject to such modifications of detail as may be found desirable, and as may be agreed between the League and the Greek Government.

(2) The Greek Committee, in the name of the Council of the League, desires to call attention to the Resolution of the Council of March 11th, which runs as follows :

"The Council desires to call attention again to the fact that the Greek Refugee Settlement Commission is limited by its statutes to the establishment of refugees in productive work, and is explicitly prevented from giving charitable assistance.

"The Council is impressed by statements made both by the President of the Commission and by the High Commissioner as to the serious distress, which cannot be dealt with by such a scheme, and can only be alleviated by charitable funds.

"The Council wishes to point out that it is only the continued and, indeed, increased, assistance from private sources which will prevent the otherwise inevitable starvation, demoralisation, and permanent disablement of great numbers of destitute refugees whose unceasing sufferings since they left their homes over a year ago have been terrible beyond description.

"The temporary relief by charitable means of refugees who cannot be immediately placed in productive work is an essential complement of the scheme of reconstruction, which is intended to place them ultimately on a basis of self-supporting independence."

The Committee is glad that it has been possible to arrange for the continuation of the work of the Refugee Settlement Commission which will secure the gradual absorption of Greek refugees in productive work. This will, necessarily, however, take a considerable time, and in the meantime, there must be several hundreds of thousands of refugees who can only be kept alive, and in a state of health which will enable them to support themselves when the opportunity of settling them occurs, by the aid of charitable funds. The League therefore hopes that the charitable societies will continue, and, if possible, increase the assistance which has up to the present greatly alleviated the fate of the refugees, and remains essential to save large numbers from starvation and enfeeblement during the process of settlement.

b) *Sums expended by the Greek Government on the relief and settlement of refugees in Greece.*

The Greek Legation in Berne has forwarded to the Secretariat a communication of the Ministry for Foreign Affairs at Athens, shewing the sums expended by the Greek Government for the relief and settlement of Greek and Armenian refugees in Greece.

The estimates, which have been established for the period July, 1922, to January 31st, 1924, shew a total of 500,906,016 Drachma for contributions in cash. To this figure, it is stated, should be added subsidies in kind to the amount of 470,000,000 Drachma, forming a total of 970,906,015 Drachma or £3,883,624 at an average rate of exchange of 250 to the £.

## 2. — TRAFFIC IN OPIUM

The British Government has communicated to the Secretariat a list of seizures of opium made at Singapore during December 1923. The total amounts confiscated are 1800 tahils of prepared opium, 1360 tahils of raw opium and 8 tahils of dross.

## VIII. — Forthcoming Events.

- June 16th : Fourth session of the Permanent Court of International Justice, the Hague.
- June 16th : Sixth International Labour Conference, Geneva.
- June 24th : Meeting of the Permanent Mandates Commission, Geneva.
- June 27th : Meeting of the Supervisory Commission, Paris.
- July 7th : Tenth session of the Temporary Mixed Commission for the Reduction of Armaments, Geneva.
- July 7th : Meeting of the Committee for the Co-ordination of the work of the two Armaments Commissions, Geneva.
- July 17th : Conference of Experts on the Exchange of Publications, Geneva.
- July 21st-24th : Meeting of Sub-Committees of the Committee on Intellectual Co-operation, Geneva
- July 25th : Fourth plenary session of the Committee on Intellectual Co-operation, Geneva.
- July 30th : Meeting of the Committee of Experts on Legal Assistance to the Poor, Geneva.
- August 26th : Thirteenth session of the Economic Committee, Geneva.
- September 1st : Fifth Assembly of the League of Nations, Geneva.



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OF THE  
LEAGUE OF NATIONS

JUNE 1924

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Vol. IV. No. 6

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JUNE 1924

Vol. IV. No. 6.

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month</i> . . .	105	e) The Financial Adviser to Albania . . . . .	117
II. <i>The Permanent Court of Inter- national Justice. Fifth Session</i> . . .	107	3. Intellectual Co-operation . . .	117
III. <i>Reduction of Armaments and Military Control</i> . . . . .	108	VI. <i>Administrative Questions</i> . . .	117
IV. <i>General Questions</i> . . . . .	109	1. Danzig . . . . .	117
1. Visit of the Secretary-Ge- neral to Sweden, Norway and Denmark . . . . .	109	2. The Saar . . . . .	117
2. International Agreements. . .	110	3. Mandates. . . . .	118
a) Registration of Treaties and International Agreements . . . . .	110	a) Fourth Session of the Permanent Mandates Commission . . . . .	118
b) Amendments to the Co- venant . . . . .	110	b) Iraq. — Communication from the British Go- vernment . . . . .	119
3. Speech of the President of the Council at the opening meeting of the Internatio- nal Labour Conference . . .	110	VII. <i>The Protection of Minorities</i> . .	119
4. International Conference on Emigration and Immigra- tion . . . . .	111	1. German Settlers in Poland . .	120
V. <i>Technical Organisations</i> . . .	111	2. Acquisition of Polish Natio- nality . . . . .	120
1. The Health Organisation . . .	111	VIII. <i>Political Questions</i> . . . . .	120
a) Approval of the Report of the Health Com- mittee. . . . .	111	1. Delimitation of the Albanian Frontier in the Region of St. Naoum . . . . .	120
b) The Malaria Enquiry . . .	112	2. Appointment of the Presi- dents of the Mixed Arbi- tral Tribunals for Hungary and the Serb-Croat-Slo- vene Kingdom, for Hun- gary and Czechoslovakia, and for Hungary and Rou- mania . . . . .	121
2. The Economic and Financial Organisation . . . . .	113	IX. <i>Social and Humanitarian Ques- tions</i> . . . . .	122
a) The Financial Recons- truction of Austria . . .	113	1. Refugees . . . . .	122
b) The Financial Recons- truction of Hungary. . .	115	2. The Traffic in Women and Children . . . . .	123
c) Meeting of the Financial Committee. . . . .	116	3. Famine in Albania. . . . .	123
d) Report of the Economic Committee. . . . .	116	4. Appointment of a Tempo- rary Committee on Slavery . .	123
		X. <i>Forthcoming Events</i> . . . . .	124

Communications concerning the *Monthly Summary* should be addressed  
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### I. — Summary of the Month.

The twenty-ninth session of the Council was held from June 11th to June 17th at Geneva, with Dr. Edward Benes, Foreign Minister of Czechoslovakia and

representative of Czechoslovakia on the Council, in the Chair. At this meeting, the States Members were represented as follows :

Belgium, M. Paul Hymans; Brazil, M. Souza Dantas; Spain, M. Quinones de Leon; France, M. Bourgeois; Great Britain, Lord Parmoor; Italy, M. Salandra; Japan, Viscount Ishii; Sweden, M. Branting; and Uruguay, M. Guani.

Seven Governments, namely, Albania, Austria, Greece, Hungary, Poland, Roumania, and the Serb-Croat-Slovene Kingdom, sent representatives to take part in the discussion of questions of special interest to them.

At its opening meeting the Council addressed to the Austrian Chancellor, Monsignor Seipel, a message of sympathy accompanied by wishes for his speedy recovery.

During this session complete agreement was reached regarding the compensation to be paid to certain expropriated German settlers in Poland. The Council continued its examination of certain aspects of the Austrian reconstruction scheme and received from the Commissioner-General of the League in Budapest a report on the excellent start already made with the Hungarian reconstruction scheme. It undertook to deal with the delimitation of the Serbo-Albanian frontier in the St. Naoum district, and took several important decisions in connection with the military control of Austria, Bulgaria and Hungary. Two new members were added to the Committee on Intellectual Co-operation : Professor Einstein, of Berlin University, and M. Lugones (Argentine Republic), a well-known South American writer.

As all questions at issue between the Danzig and Polish Governments had been settled by mutual agreement between the parties, the Council had not to discuss, at this session, any points in connection with the Free City; it had, however, to take certain decisions concerning the Saar. A communication of the British Government regarding Iraq was noted.

The position of the Armenian, Greek and Russian refugees and of the famine-stricken population of Northern Albania was also discussed at this session.

The Council noted and approved the reports of various League Commissions, such as the Advisory Committee on Traffic in Women and Children, the Health Committee, the Financial Committee and the Permanent Advisory Commission on Military, Naval and Air Questions.

At the close of the session, the Chairman drew attention to the international bearing of many of the questions dealt with, such as the financial reconstruction of Austria and Hungary, and the problem of military control.

"The work which the League had been doing for two years," he said, "is essentially a work of peace and of reconciliation of the peoples. In the same way, the question of control is a step towards a normal situation and peaceful relations between the great and small European nations. It is the preparation of a new era in the settlement of certain great problems of European politics. This session, I believe, marks a new victory of the great ideal for which we have been working..."

M. Léon Bourgeois said that never, at any previous session, had the spirit of the League been so evident among the Members of the Council.

On June 16th the Permanent Court of International Justice met in ordinary session at The Hague. Three questions are on the case-list: the Mavromatis Palestine concessions, a legal point in connection with the question of the Serbo-Albanian frontier in the district of St. Naoum, which has been referred to the Court by the Council, and a Greco-Bulgarian dispute which, in accordance with an arbitration agreement, has been submitted to the Court.

The League Permanent Mandates Commission met on June 24th at Geneva, when it began the examination of the annual reports of the Mandatory Powers,

## II. — The Permanent Court of International Justice.

### FIFTH SESSION

The Permanent Court of International Justice met in ordinary session on June 16th.

For this session the Court is composed as follows : Mr. Loder (President), Mr. André Weiss (Vice-President), Mr. Rafael Altamira, Mr. Dionisio Anzilotti, Mr. A. S. de Bustamante, Lord Finlay, Mr. Max Huber, Mr. John Bassett Moore, Mr. D. G. Nyholm, Mr. Y. Oda, Mr. Epitacio Pessoa and Mr. Caloyanni. Mr. Caloyanni was specially appointed by the Greek Government to take part in the discussion on the Mavromatis Palestine Concessions.

Mr. Epitacio Pessoa, who was elected Judge in September 1923, and who sat for the first time, took the oath, in conformity with the Statute of the Court, to perform his duties with impartiality and conscientiousness. A similar declaration was made by Mr. Caloyanni.

Three cases had been filed for this session of the Court. These were :

1. The Mavromatis Case <sup>(1)</sup>,
2. The Question of St. Naoum <sup>(2)</sup>,
3. Summary Procedure in accordance with a Greco-Bulgarian Arbitration Agreement.

*The Mavromatis Case.* — In the Mavromatis case the Greek Government had appealed to the Permanent Court against the British Government, which holds the mandate for Palestine.

In the course of the first hearing the President informed the Court that the Greek Government had filed its case and that, in reply, the British Government had submitted a preliminary objection to the jurisdiction of the Court and a preliminary counter-case.

The Greek Government bases its application on Article 26 of the Palestine Mandate, under which the Mandatory undertakes "to submit to the jurisdiction of the Permanent Court of International Justice any dispute that may arise between itself and another Member of the League concerning the interpretation or application of the provisions of the Mandate."

The British Government denies that the dispute over the Mavromatis concessions concerns the interpretation or the application of the terms of the mandate and declares that, for this and other reasons, the matter does not come under Article 26. It also points out that the only international act defining the obligations of the British Government concerning the recognition of the concessions in Palestine is the protocol relating to the concessions which was signed at Lausanne on July 24th, 1923, and that this Act, which forms part of the settlement of Peace with Turkey, does not take effect until the first ratification of the Treaty of Peace. The British Government adds that this Act contains no clause providing for the submission to the Court of disputes which might arise with regard to its interpretation or application. For these reasons the British Government requests the Court to reject the Greek appeal without, for the moment, entering into the substance of the case... The Greek Government, on June 30th, filed a rejoinder in which it resumed the discussion on the basis of Article 11 of the Palestine Mandate, which confines the freedom of action of the Mandatory within the limits of its international obligations.

The Court decided that the hearings on the British objection to the competence of the Court should begin on July 15th.

(1) See *Monthly Summary*, Vol. IV, No. 5, p. 86.

(2) See special chapter of this number of the *Monthly Summary*.

*The St. Naoum Affair.* — The St. Naoum affair, regarding which the Council, at its meeting of June 17th, decided to ask the Court for an advisory opinion, will come before the Court on July 10th. The Serb-Croat-Slovene and Albanian Governments have asked to be heard in the case and will be represented by M. Spailkovitch, Serbian Minister in Paris, and M. Konitza, Albanian Minister in Paris and London, respectively.

*Greco-Bulgarian Dispute.* — At the opening meeting of the session a Special Arbitration Agreement signed by the Greek and Bulgarian Governments on March 18th, last, was read out. Under this Agreement a dispute that has arisen between these two countries in respect of the interpretation of a provision of the Peace Treaty of Neuilly is referred to the Court sitting as a Chamber of Summary Procedure.

Other documents were read, from which it appeared that, as the Agreement in question was not to become effective until after ratification, and as the Court had not yet been officially informed that ratifications had been exchanged, the Court could not regard the submission of the case as valid.

Since then, however, the Court has received from the Greek Government notice of the exchange of ratifications. Being now, therefore, in a position to take cognisance of the case, it has fixed July 19th as the date for the filing of the written statements of the respective cases of the parties. The question whether or not there will be oral proceedings for the Court to decide, and it will also consider whether it needs any further information.

The case relates to the question whether it is possible to pay out of funds derived from the liquidation of Bulgarian property and interest in Allied territory debts due to Allied subjects in consequence of acts committed by the Bulgarian authorities outside the prewar limits of Bulgarian territory and claims submitted by Allied subjects in respect not only of loss of property but also of personal injury.

### III. — Reduction of Armaments and Military Control.

*Decisions of the Council.* — The agenda of the twenty-ninth session of the Council included the following questions in connection with the reduction of armaments :

a) The report of the Permanent Advisory Commission on Military Naval and Air Questions; b) the limitation of expenditure on armaments; c) the limitation of naval armaments and d) the examination of the position of the Council with regard to Articles 159 of the Treaty of St. Germain, 143 of the Treaty of Trianon and 104 of the Treaty of Neuilly.

With regard to the first of these questions, the Council, on June 14th, decided to forward to the Temporary Mixed Commission for the Reduction of Armaments the results of the work of the Permanent Advisory Commission on the control and the traffic of arms and on the private manufacture of arms and munitions.

In connection with the question of the limitation of expenditure on armaments the Council requested the Secretary-General to transmit to the Members of the League a recommendation of the Assembly, subject to certain reservations, not to exceed, during the period necessary for the elaboration and adoption of the general scheme for the reduction of armaments, the total expenditure on military, naval and air armaments provided for in the budget of the current year. In the course of the discussion the British, French, Italian, Japanese and Swedish representatives drew attention, on behalf of their Governments, to the fact that the resolution of the Assembly did not suggest any formal obligation, but suggested that the countries might be asked to take certain action. The British representative said that he

wished to make it quite clear that Great Britain would not be able to take any step in the direction indicated in the resolution. The French representative declared, moreover, that the French Government, by reductions effected in its military, naval and air armaments, had already taken the action that the resolution was intended to secure. The Japanese representative stated that the present Japanese budget, prepared in abnormal circumstances as a result of last year's disaster, was a minimum estimate of military and administrative expenditure, and that he did not think it possible for his Government to undertake not to exceed its figures.

The Council decided to submit to the Fifth Assembly the question of the principles and the procedure to be followed in regard to the limitation of naval armaments. The report of the experts who took part in the work of the Rome Conference <sup>(1)</sup> revealed the existence among the countries represented of two fundamentally different points of view. Certain Governments recommended the extension to non-signatory Powers of the two principles of the Washington Treaty, namely, the fixing of the tonnage of capital ships on the basis of the *status quo*, the date of which was to be determined, and the naval holiday. Others proposed a limitation of naval armaments based, in accordance with Article 8 of the Covenant, on the special geographical conditions of the individual States. In these circumstances the Council referred the question to the Fifth Assembly for a definition of the essential principles on which a general conference on the limitation of armaments might be based.

Finally, the Council had to consider, at the request of the British Government, its position with regard to the almost identical Articles of the Treaties of St. Germain, Trianon and Neuilly, by which Austria, Bulgaria and Hungary undertake to give every facility for any investigation which the Council, by a majority vote, may consider necessary, once the inter-Allied military control of armaments has been withdrawn. (The control has hitherto been exercised by the principal Allied Powers through the intermediary of specially appointed Inter-Allied Commissions.)

In the course of the discussion, the British and French representatives agreed that the time had come when it seemed desirable to examine the situation which would arise after the Inter-Allied control had been withdrawn.

Certain Governments (Austria, Bulgaria, Greece, Hungary, Roumania, and the Serb-Croat-Slovene Kingdom) having expressed a desire under Article 4 of the Covenant to be represented on the Council when this question was examined, the French representative drew attention to the fact that, in this respect, the point of view adopted by the Council might be regarded as creating a precedent, so far as composition of the Council was concerned, when the moment arrived to consider Article 213 of the Treaty of Versailles. If all the States signatories of the Treaties took part in the discussions for this purpose the Council would become an Assembly. The Council decided to refer to a Committee of Jurists the interpretation of Article 4 in this connection.

The Council further instructed the Permanent Advisory Commission on Military, Naval and Air Questions to continue the examination, begun in 1920, of the question of the organisation to be placed at the disposal of the Council with a view to the exercise of the right of investigation contemplated by the Peace Treaties.

#### IV. — General Questions.

##### 1. — VISIT OF THE SECRETARY-GENERAL TO SWEDEN, NORWAY AND DENMARK

At the end of May and the beginning of June, the Secretary-General of the League, accompanied by the Director of the Political Section and other officials of the Secretariat, paid a visit to Christiania, Stockholm and Copenhagen.

(1) See *Monthly Summary*, Vol. IV, No. 3, p. 51.



In each of the three Scandinavian capitals the Secretary-General was received in audience by the King and conferred with the Minister for Foreign Affairs and other members of the Government. At receptions given in his honour he met many members of political, university and journalistic circles. Largely attended meetings were organised by the Nobel Institute (Christiania), the Swedish League of Nations Union and the Swedish Parliamentary Union (Stockholm). At each of these the Secretary-General spoke on the subject of the League and the Director of the Political Section gave a lecture on its various activities. A meeting was organised at Copenhagen in the Parliament buildings.

## 2. — INTERNATIONAL AGREEMENTS

### a) *Registration of Treaties and International Agreements.*

During the month the following treaties and international agreements were deposited for registration and publication by the Secretariat :

An exchange of notes between Sweden and Switzerland, settling provisionally the commercial relations between the contracting parties, done at Stockholm on March 20th, 1924;

A Convention on the commercial relations between Italy and Canada, signed at London on January 4th, 1923, registered at the request of the British Government;

An extradition treaty between the United States of America and Siam, signed at Bangkok on December 30th, 1922, presented for registration by the Siamese Government;

An arrangement prolonging for a period of five years the Arbitration Convention of February 10th, 1908, between the United States of America and France, presented for registration by the French Government;

An exchange of notes renewing for a period of five years the Arbitration Convention of February 26th, 1904, between Spain and France;

An exchange of notes constituting an extension to Liechtenstein of the regulations on the commercial relations between Denmark and Switzerland, this arrangement to remain in force as long as Liechtenstein forms part of territory under the Swiss customs regime. The arrangement was presented for registration by the Danish Government.

### b) *Amendments to the Covenant.*

During the month the Italian Government deposited at the Secretariat the instruments of ratification of the Protocol relating to the amendment to the last paragraph of Article VI. of the Covenant, which deals with the allocation of the expenses of the League.

## 3. — SPEECH OF THE PRESIDENT OF THE COUNCIL AT THE OPENING MEETING OF THE INTERNATIONAL LABOUR CONFERENCE

At the invitation of the Director of the International Labour Office, the members of the League Council attended the opening meeting of the sixth session of the International Labour Conference which took place on June 16th.

The President of the Council spoke as follows :

Mr. President, ladies and gentlemen, the members of the Council of the League of Nations are greatly touched by the invitation which the International Labour Office sent to them to take part in the opening sitting of the International Labour Conference. They have replied to this invitation by coming here to-day. The International Labour Office has been continuing its great task for the last four years and its beneficent activity in connection with social questions, and this activity is being felt to-day in all countries. It would take too long for me to

speak of the results of this work. Millions of organised workers and thousands of employers and economic undertakings in almost all the countries of the world have taken part in this work, accepting with pleasure the direction of the Office in certain of their activities and bringing to-day their co-operation in others. Those who are able to take account of the very important part played in modern political and social life by those two social classes know how to appreciate the activity of your great institution. Without desiring to dwell too long on this question, I should like to emphasise, as President for the time being of the Council of the League of Nations, one essential idea which characterises your labours. The International Labour Office, and your International Labour Conferences which are held periodically, have, as their primary object to standardise and ameliorate conditions of labour in different countries. They tend to substitute a loyal and humane competition for unfair competition; they try to standardise social and economic conditions in the various countries, thus creating an understanding between nations. In this way, they fulfil one of the most important functions in society to-day. For all your work, side by side and in agreement and direct co-operation with the other organisations of the League of Nations completes and consolidates the great international efforts of the League of Nations. The object of this work is to maintain and to reinforce peace in order to prepare the new world for a definitive peace, and in order to create new conditions for the new society.

I do not wish to detain you from your work to-day by developing this idea, which shows how closely you are attached to the general work of the League of Nations. I could show you by practical examples, in passing your work in review from the Conference at Washington down to the present Conference, how much you have contributed, for instance, by means of international Conventions, by your repeated deliberations on various important subjects connected with social affairs, by your influence and your direct intervention in the actions of your respective Governments, to bring about peace and to solve the difficulties which might so easily have arisen in international life. Thus, the objects of your work correspond in a large measure with the pre-occupations and anxieties which are the continual object of our daily deliberations in the League of Nations; and if we have replied with satisfaction and pleasure to your invitation, it is because we wish to show our solidarity and our common purpose with you. Congratulating you on the work which you have already accomplished, the results you have already attained, we wish with all our heart that you will have great success in your present Conference and great success in the work which you will undertake in the future. The League of Nations and the peace of the world can only profit thereby.

#### 4. — INTERNATIONAL CONFERENCE ON EMIGRATION AND IMMIGRATION

On June 12th M. Guani (Uruguay) made a statement to the Council concerning the international conference on emigration and immigration convened by the Italian Government <sup>(1)</sup>. M. Guani, as Acting President of the Council of the League attended the opening ceremony of the conference, which took place at Rome on May 15th.

M. Guani submitted to the Council the resolutions of the conference, which, he announced, would be forwarded by the Italian Government to the various international institutions (the League of Nations, the International Labour Office and the International Institute of Agriculture), in order that they might take the necessary action within their respective spheres.

### V. — Technical Organisations.

#### 1. — THE HEALTH ORGANISATION

##### a) *Approval of the Report of the Health Committee.*

On June 17th the Council adopted the Report prepared by Viscount Ishii on the second session of the Health Committee.

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(1) See *Monthly Summary*, Vol. IV, No. 5, p. 89.

*The Far Eastern Epidemiological Intelligence Bureau.* — Singapore was approved as the site for the Epidemiological Bureau in the Far East to be set up by the Health Organisation of the League.

The Council gratefully accepted the Rockefeller Foundation's offer of a contribution for the establishment of this Bureau, not exceeding 50,000 dollars for the first year and 125,000 dollars for a five-year period.

*Interchange of Public Health Personnel.* — As the rapid success and great development of the system of interchanges, together with the increased cost of travelling, maintenance and administration, made it difficult to complete the programme for 1924-25 with the funds available, the International Health Board of the Rockefeller Foundation offered to increase its annual contribution to this branch of the League's work from 60,080 dollars to a sum not exceeding 100,000 dollars a year for a period beginning July 1st, 1924. This offer, too, was accepted by the Council with a vote of thanks to the Board.

The Council expressed its conviction that the system of interchanges had given proof of its practical value and was paving the way for still closer cooperation between National Health Administrations, and should, therefore, be established on a permanent basis. As the Rockefeller subvention is available only for a limited period the Health Committee recommended that the League contribution for this work in the budget of the Health Organisation for 1925 should be raised from 50,000 to 250,000 francs, and the Council, when forwarding this proposal to the Assembly, emphasised the importance which it attaches to continuing the interchanges on a regular system.

*An International Health Conference.* — Lastly, the Council drew the attention of the governments concerned to the necessity for convening an International Health Conference to revise and bring up to date the International Health Convention of 1912. A new text has been prepared by the permanent Committee of the *Office International d'Hygiène publique*, with the aid of material and recommendations supplied by a Committee of Enquiry in the Near East appointed in conjunction with the Provisional Health Committee of the League that preceded the present Standing Committee. The Council suggested that, in order to save time and expense, the governments concerned might appoint for the International Conference the delegates who are already members of the Permanent Committee of the *Office International*, and offered the services of the League Health Organisation for carrying out the secretarial work of the Conference.

#### b) *The Malaria Enquiry.*

The League Commission for the study of the incidence of malaria in Eastern Europe began its tour of investigation in Yugoslavia on May 29th, and is to work for three months. The study in Yugoslavia lasted eighteen days, the Commission beginning at Zagreb, and gradually working south to Serbian Macedonia. It then crossed over to Greece for four days study in Greek Macedonia, went on to Bulgaria for six days, and then, until July 7th, to Roumania. From Roumania the Commission proceeded to Russia, arriving at Moscow on July 13th.

In Russia and the Ukraine the Commission is to study the principal malaria regions, namely the Ukraine (Kharkov, Bakhmut and environs); Northern Caucasus (Rostov, Piatigorsk and neighbouring health resorts); the Volga region (Tsaritsyn; from Tsaritsyn to Nizhni-Novgorod by boat along the Volga; Saratov, Pokrovsk, the German Volga Republic; Kazan and the Tartar Republic). From Nizhni-Novgorod the Commission will return to Moscow, where it will be shown the working of the Central Health Organisation and particularly the anti-malarial work of the Russian Health Service, and will take part in a conference on malaria.

Leaving Russia on August 4th, the Commission will proceed to Italy to inspect the areas infected by malaria and to draw up a report on the results of the voyage.

Throughout the journey the Central Health authorities of the countries visited have conducted the party and shown it both the actual conditions in the areas infected with malaria and the measures taken to instruct and organise the Health Service for combating this disease. The Commission will, therefore, be in a position to make an exhaustive report on the whole question of malaria in Southern and Eastern Europe.

There are five members and seven experts or corresponding Members of the Commission, namely :

*Members :*

Dr. Lutrario (Chairman) (Italy); Professor Nocht <sup>(1)</sup> (Vice-Chairman) (Germany); Dr. Raynaud <sup>(1)</sup> (France); Professor Ottolenghi <sup>(1)</sup> (Italy); Professor Pit-taluga <sup>(1)</sup> (Spain).

*Corresponding Members :*

Dr. Markoff (Bulgaria); Dr. Marchoux (France); Col. James <sup>(1)</sup> (Great Britain); Dr. Swellengrebel <sup>(1)</sup> (Holland); Professor Ciuca <sup>(1)</sup> (Roumania); Professor Marcinowski <sup>(1)</sup> (Russia); Dr. Sfarcić <sup>(1)</sup> (Kingdom of the Serbs-Croats-Slovenes).

## 2. — THE ECONOMIC AND FINANCIAL ORGANISATION

### a) *The Financial Reconstruction of Austria.*

During May and June the main feature of the Austrian reconstruction work was a series of legislative measures with a view to administrative and financial reforms. The budget for 1924 was voted. New fiscal laws were passed and others were tabled. An Anglo-Austrian treaty of commerce was signed at London.

*Reforms.* — In order to obviate the danger of the overtaxation of the Austrian sources of production, the Finance Minister decided to reduce the tax on profits from 50 % to 36 % of the net revenue. The Austrian Parliament, after negotiations which lasted six months, passed a bill amending the law on the division between the Austrian State and the autonomous communities of certain fiscal revenues, the main object of the amendment being the increase of the share of the State. A series of bills aiming at the simplification of administrative procedure and a new tariff scale were brought in by the Government.

An Anglo-American commercial treaty, concluded at London, secured to each of the Contracting Parties the regime of the most favoured nation.

The President of the Austrian Republic, at the proposal of the Commissioner-General and of the Council of Ministers, appointed Dr. A. van Gÿn, professor at Leyden University, former Finance Minister of the Netherlands, to succeed Schnyder von Wartensee as Financial Adviser to the National Bank. Dr. van Gÿn, who has accepted a provisional engagement of several months, has already taken up his duties at Vienna.

*Financial Situation.* — The budget for 1924 <sup>(2)</sup> was voted by the Austrian Parliament after a debate which lasted about six months. The draft budget submitted by the Government contained the following figures :

Expenditure . . . . .	6,595.5 milliard paper crowns.
Revenues. . . . .	5,758.8                      "
Deficit. . . . .	836.7                       "

<sup>(1)</sup> Accompanied the Commission on the tour of investigation.

<sup>(2)</sup> See special chapter on the Council proceedings.

In the course of the debate, the expenditure figures, as the result of an increase in the salaries of the State officials, had to be revised. The budget, therefore, as adopted by Parliament, read :

	Milliards paper	Millions gold
Expenditure. . . . .	7336.8	509.5
Revenues . . . . .	6170.4	428.3
Deficit . . . . .	1166.4	81.-

whereas the deficit agreed upon in the League reconstruction scheme was 10.2 million gold crowns (147 milliards paper).

The gross yield of the Customs and the Tobacco Monopoly in May was 21.8 million gold crowns, an increase of .5 on the figures of the preceding month.

The balance sheet of June 15th of the National Bank shewed note circulation to the value of 501 million gold crowns with 44.3 % cover in gold and foreign currencies; and current accounts for 53.1 million gold crowns. The total commitments, therefore, are 554 million gold crowns, with 40 % cover.

*General situation.* — By June 21st, the dismissals of State officials had reached a total of 67,926. According to the reconstruction scheme a total of 100,000 should have been reached by June 30th.

Unemployment is decreasing. The total number of unemployed at the beginning of June was 68,475 as against 84,180 in May.

Deposits in banks and savings banks continue to increase, their total for Vienna and the provinces rising to 79 million gold crowns in June as compared with 62 millions in May.

*The Council Resolutions.* — The Council had before it the joint report of the Financial Committee of the League and the Commissioner-General, Dr. Zimmermann, and the observations of the Committee of Control with regard to two requests presented to it at its previous session by the Austrian Government, one regarding the level at which budget equilibrium should be sought and the other regarding the utilisation of any loan surplus not required to meet budget deficits.

The Financial Committee stated that the Austrian Government had suggested that the level for the expenses should be 520 million gold crowns, exclusive of capital expenditure, and for revenue receipts 533 millions. The total State expenditure upon which the Austrian Government agreed with the League delegation in 1922 to base the budget equilibrium was 350 million gold crowns and this constituted a binding engagement unless modified by consent of both parties. At the same time, this figure was not necessarily intended to be immutable, but was taken as a prudent basis at a time when stabilisation was only beginning and before its results could be known. Although the Financial Committee felt able to say, as the result of detailed examination of the financial and economic developments of Austria, that the figure of 350 millions should be raised, it did not feel able at this date to recommend a definite figure in substitution for it. It felt grave doubt as to whether the ultimate figure could be high enough to support the present expenditure of Austria, taken in conjunction with increases under consideration and pressed for urgent progress with administrative reform, without which there could not be confidence that budget equilibrium would be maintained. When the Council would have to consider whether the bases of budget equilibrium were in their nature permanent, the important factor would be the determination of what maximum figure was not so high as to threaten that taxation receipts equal to it would not be maintained. The situation was not yet sufficiently clear for the Committee to reach final conclusions for a definite figure.

With regard to the disposal of the loan, the Committee pointed out that the loan was hypothecated, not only by the terms of the Protocols but by the conditions of the prospectuses, constituting an obligation to the bond holders, to meet

the budget deficits until the time when a balanced budget was assured. It would therefore be inconsistent with the principles of the scheme and with the engagements to the Council and the Guaranteeing Powers and also a breach of faith with the bondholders if any part of the loan were so invested that it could not be safely and readily available for its primary purpose, until the Council was certain that it would not be required for that purpose. This moment had clearly not yet arrived. Subject to this, the Committee considered that, when the Council was confident that the money would not be required for a budget deficit, the question might well be considered with due regard to the several rights and interests involved, in what way the surplus, if any, could be used in the interests of Austria, subject, of course, to the control of the employment as contemplated both by the Protocols and by the resolution of March 12th.

In these circumstances, the Committee recommended the Council to authorise the Commissioner-General and the Financial Committee to continue their enquiry in Vienna in collaboration with the Austrian Government.

M. Salandra, on behalf of the Austrian Committee of the Council, moved a resolution in which the Council recorded its appreciation of the results already obtained in Austria, adopted the conclusions of the Report and expressed the hope that the results would enable the Austrian Committee of the Council to determine before the next session of the Council the new maximum figure of expenditure. The resolution also expressed the earnest hope that the Austrian Government would in the meantime pursue with energy the execution of the scheme of reform in the light of the report, which declared that in any case further economies were necessary.

M. Grunberger, the representative of the Austrian Government, said the work undertaken by the League had not only considerably improved the position of Austria which in 1922 presented the gravest dangers both abroad and at home; it had also had the result by example of inducing other States to take the same path under the dominion of the just and generous ideas underlying the work of reconstruction. He assured the Council that the Austrian Government would pursue with energy the reforms and economies which had been indicated and hoped thereby shortly to arrive at the final object to be achieved, thus crowning its own perseverance and the efforts of the League.

Lord Parmoor said that all were anxious that financial stability should be attained at the earliest possible moment and it was for this reason that the Austrian Government was urged to carry out the necessary economies.

The resolution proposed by M. Salandra was adopted.

#### *b) The Financial Reconstruction of Hungary.*

Mr. Jeremiah Smith, the Commissioner-General of the League of Nations at Budapest, presented to the Council his first report on the progress of the financial reconstruction of Hungary. In doing so, he said that on his arrival in Budapest much progress had already been made towards putting the plan into effect. The laws carefully prepared by the delegation of the League for carrying out the recommendations of the Financial Committee had been adopted by the Hungarian Government and were now in force. He expressed his appreciation of the immense amount of time and thought which the League's Financial Committee and the League delegation had given to the preparation of the plan.

Before his arrival, the Hungarian Government had raised an internal loan, approximately 380 milliards of paper crowns, and had arranged a further internal loan of 20 million Swiss francs obtained through the banks and industries of Hungary. The revenues pledged to secure the services of the reconstruction loan had already been paid into an account under the control of the Commissioner-General. These revenues greatly exceeded the estimates prepared by the Financial Committee, taxes had been increased in advance of the programme, and the unplanned revenues were producing returns which were also greatly in excess of the estimates.

Many restrictions upon exports had been removed, in particular upon the export of wheat and rye, and arrangements had been made for negotiating commercial treaties with neighbouring countries.

Some of the administrative reforms had already been put into operation. The Government had published a decree providing for the centralisation of receipts and disbursements in the central treasury, one of the most important reforms agreed upon between the Government and the delegation of the League. This reform would be put into effect by July 1st, 1924.

The number of State officials had already been reduced, and by the end of the month some 3,000 would have been dismissed. Plans would also have been made, and notice given for the dismissal of a much larger number.

The negotiations for the reconstruction loan were proceeding satisfactorily, and he was confident that they would be shortly brought to a definite and substantial conclusion.

He had received the cordial co-operation of the Hungarian Government and of all the persons concerned, and there were excellent prospects that the results desired would be achieved.

M. de Kallay, representing the Hungarian Government, expressed Hungary's sincere thanks to the League and to Mr. Smith, and said the conditions of the loan were excellent, thanks to the effective and constant help which had been afforded.

Lord Parmoor noted the real beginning that had been made and said the Council was happy to learn that the negotiations for a loan were on the point of being concluded and that the entire amount would be obtained at once. The League and the external world had made their contribution to the work of reconstruction and it was for the Hungarian Government to pursue that task to a successful conclusion. On Lord Parmoor's proposal the Council passed a resolution noting with satisfaction that the plan had been successfully launched and stating its confidence that the reconstruction loan would meet with complete success. It was also decided to inform the Reparation Commission of the steps that had been taken.

The President thanked the Commissioner-General and the representatives of Hungary (M. de Kallay), Roumania (M. Titulesco) and the Kingdom of the Serbs, Croats and Slovenes (M. Diuritch) for their participation in the proceedings and said he hoped the Council at its next session would receive reports of further success.

#### *c) Meeting of the Financial Committee.*

The Financial Committee met from June 11th to 16th, when it considered various questions in connection with the financial reconstruction of Austria and Hungary, the Greek Refugees Settlement Scheme (1), and the work of the Committee of Government Experts on Double Taxation and Fiscal Evasion.

*Appointment of a member of the Financial Committee.*—At its meeting of June 12th, the Council appointed M. Léopold Dubois (Swiss), Chairman of the Governing Board of the Swiss Bank Association, as member of the Financial Committee.

#### *d) Report of the Economic Committee.*

The report of the Economic Committee on its twelfth session (2) was approved by the Council at its meeting of June 12th.

The Council requested the Secretary-General to send the requisite communications and to take the necessary steps for putting into force the Rules of Procedure

(1) See report of the Committee in this number.

(2) See *Official Journal*, Vol. IV, No. 5, p. 93.

drawn up by the Committee regarding the application of Article 22 of the Convention on Customs Formalities (disputes concerning the interpretation and application of the Convention).

e) *The Financial Adviser to Albania.*

Owing to the political circumstances of Albania at the time of the Council meeting, the Council decided to postpone till its next session the consideration of the position of Mr. Hunger, the Financial Adviser to the Albanian Government, whose contract was denounced by the Acting Prime Minister on March 1st. The Council had then asked for further information on the matter <sup>(1)</sup>.

### 3. — INTELLECTUAL CO-OPERATION

On June 16th, the Council appointed Professor Einstein, of Berlin University, and M. Lugones (Argentine Republic) as members of the Committee on Intellectual Co-operation.

## VI. — Administrative Questions.

### 1. — DANZIG

On June 7th, 1924, an agreement was concluded between Poland and Danzig, according to which negotiations will be conducted with a view to settling disputes concerning the protection of the interests in Poland of Danzig citizens and organisations. The Secretary-General, at the request of the Parties, appointed an expert, Professor Auguste Weiller, of Milan, to preside at the meetings.

The Polish and Danzig Governments have also agreed to negotiate with a view to settling the question of the Polish Railway Administration at Danzig and other questions in connection with the railways. The Secretary-General has been invited by the Parties, to nominate two experts to take part in the negotiations. The experts, who will be selected in virtue of their technical and legal experience in connection with State railway administration, will attend the meetings in the capacities of Chairman and technical adviser of the delegations.

Six other questions relating to Poland and the Free City of Danzig had been placed on the agenda of the twenty-ninth session of the Council. As the Polish and Danzig Governments, however, had in the meantime succeeded in achieving an agreement, at least provisionally, on all the questions before the Council, the High Commissioner of the League at Danzig informed the Council that it would not be necessary to deal with a single question concerning Danzig.

The Council addressed its congratulations to the Polish and Danzig Governments and to the High Commissioner, who had helped the two parties to settle their differences.

### 2. — THE SAAR

The Council, at its twenty-ninth session, had to consider a certain number of questions in connection with the administration of the Saar Territory.

*Development of the Local Gendarmerie and the Presence of French Troops in the Territory.* — A communication from the German Government concerning the pre-

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(1) See *Monthly Summary*, Vol IV, No. 3, p. 58.



sence of French troops in the Territory and the development of the local police forces was brought to the knowledge of the Members of the Council and the Governing Commission of the Saar. The Commission was invited to communicate its observations on the subject. As the German Government's note had been received only a few days before the opening of the session, the Council decided to postpone the discussion.

The Council expressed its satisfaction with regard to the recent decision of the Governing Commission to increase the numerical strength of the local police forces.

*Authority and Responsibility of the Individual Members of the Governing Commission.* — On June 16th the British representative on the Council drew attention to a letter of April 8th from the Chairman of the Governing Commission to the Secretary-General concerning the refusal of the former to confirm certain appointments to the School Board of Saarbruck. It had not at first appeared clearly to the British Government that the Chairman's letter was to be regarded as a statement made on the collective responsibility of the Commission. It was the purpose of the British representative to recall the fact that the Governing Commission, whose executive was the Chairman, was always collectively responsible for the discharge of duties assigned to its individual members, as had already been stated in the Council's resolution of July 7th, 1923; also that all the communications addressed to the Council of the League were sent by the Commission as a whole. The British Government suspected that the actual wording of the letter was due to an oversight, and the British representative was happy to note a subsequent letter from the Chairman, which cleared up the situation.

M. Bourgeois, M. Salandra and the Chairman of the Council noted that the possibility of misunderstanding had been removed and that there was general agreement with regard to the collective responsibility of the Governing Commission.

*Customs Regime for German Goods imported into the Saar Territory.* — At its meeting of June 17th the Council decided to postpone to its next session the discussion of the question of the control of German goods entering the Saar Territory up to January 10th, 1925. This question was raised in a letter from the German Government. Meanwhile, the Secretary-General was requested to forward for the information of the German Government a copy of a letter on the same subject from the Chairman of the Governing Commission.

### 3. — MANDATES

#### a) *Fourth Session of the Permanent Mandates Commission* (1).

The fourth session of the Permanent Mandates Commission opened on June 24th at Geneva. The following members were present :

M. Freire d'Andrade (Portugal), M. Beau (France), Sir Frederick Lugard (Great Britain), M. P. Orts (Belgium), M. Palacios (Spain), M. Van Rees (Netherlands), Marquis Theodoli (Italy) and Madame Bugge Wicksell (Sweden).

The Commission re-elected Marquis Theodoli as Chairman and M. Van Rees as Vice-Chairman.

At the opening meeting the Chairman gave a brief survey of the work of the League in connection with the Mandates since last year. A statement was made, setting out the questions which had been brought before the Commission in the first years of its activity, several of which have been settled during the last year. Others are still pending. Among the first may be mentioned those concerning liberty of conscience and military recruitment. The second category includes the questions

(1) A full account of the session will be given in the next number of the *Monthly Summary*.

of the unification or import duties on wines and spirits, that of the frontier between the British and French Cameroons, of the extension to mandated territories of certain international conventions; of loans, credits and investments; and of land tenure.

The Commission then began, in the presence of accredited representatives of the Governments concerned, the examination of the annual reports of the Mandatory Powers.

b) *Iraq. — Communication from the British Government (1).*

The question of Iraq, which had been placed on the agenda at the request of the British Government, came before the Council on June 17th.

The territory of Iraq belongs to the category of countries placed under A Mandate and described in Article 22 of the Covenant as having "reached a stage of development where their existence as independent nations can be provisionally recognised, subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone". The Mandate for Iraq was conferred on, and accepted by, Great Britain at a meeting on the Principal Allied Powers at San Remo.

On November 17th, 1921, the British Government made known to the Council that the desire of the Iraqi people for the formation of a national government under an Arab ruler had led the British Government to the conclusion that its obligations as Mandatory could best be discharged in the form of a treaty between Great Britain and Iraq. A treaty was signed on October 10th, 1922, and communicated to the League of Nations. It was later completed by a protocol signed on October 30th, 1923, and four subsidiary agreements dated March 25th, 1924. These documents, the main provisions of which have been summarised in a Draft Instrument, constitute, in the opinion of the British Government, "a practical and comprehensive basis for giving effect to the principles of the Covenant."

The British Government, therefore, on the assumption that the treaty, protocol and subsidiary agreements would be accepted by the Iraqi Constituent Assembly, proposed, after obtaining the assent of the British Parliament, to invite the Council to adopt the Draft Instrument and Annexes as defining the obligations of the British Government as Mandatory for Iraq.

The Council, not being as yet officially advised of the fulfilment of all the conditions and desiring to consider further the recent documents, decided to postpone to its next session the discussion of the question.

## VII. — The Protection of Minorities.

During the twenty-ninth session of the Council the question of the German settlers in Poland was definitely settled on the basis of an agreement with the Polish Government. In the course of the negotiations on the question, which had been before the Council since the beginning of 1922, the procedure had varied. The advice of a Committee of Jurists and of the Permanent Court of International Justice had been sought, and a special committee of the Council had negotiated with the Polish Government.

At this session the Council also dealt with the question of the acquisition of Polish nationality.

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(1) See *Monthly Summary*, Vol. II, No. 10, p. 263.

## 1. — GERMAN SETTLERS IN POLAND

On June 17th the Council took note of an agreement between its special committee and the Polish Government regarding payment by the Polish Government of a lump sum as compensation to the German settlers.

The agreement specifies that a lump sum of 2,700,000 zlotys (gold francs) shall be divided among 500 settlers who were able to claim Polish nationality on July 20th, 1920, the date of the entry into force of the Polish law dealing with their holdings. This provision applies also to persons acquiring Polish Nationality in virtue of the German-Polish Convention which is being negotiated at Vienna under the chairmanship of M. Kackenbeeck. Should the number of settlers entitled to compensation exceed 520, the Polish Government will proportionately increase the sum placed at their disposal, which will be paid into a special account in two recognised Polish banks. The apportionment of this sum will be effected by an official of the Polish Government, who will deal direct with the settlers. His decisions regarding the apportionment shall be final.

Should it be established three months after the coming into force of the German-Polish Convention that the number of settlers entitled to compensation does not exceed 400, the sum set aside for compensation will be decreased by 20 %; should the number not exceed 300, 35 % will be deducted.

At the meeting of the Council, the Polish representative, Count Skrzinski expressed the satisfaction of his Government that the matter had been settled in agreement with the League of Nations in the spirit of justice and moderation which was the foundation of the Covenant. The Council also welcomed the settlement and appreciated all that the Polish Government had done to make it possible.

## 2. — ACQUISITION OF POLISH NATIONALITY

On June 17th the Brazilian representative, reporting to the Council on the question of the acquisition of Polish nationality, described the stage reached in the German-Polish negotiations at Vienna.

The Polish representative confirmed the declaration made last March by M. Kozminski, to the effect that while the matter was under consideration, no further steps would be taken to the material or personal detriment of persons the definition of whose nationality depended on the outcome of the Vienna negotiations.

The German Government recently informed the Secretariat that in certain cases measures had been taken by the Polish Government which were, in the opinion of the German Government, incompatible with M. Kozminski's declaration. Since then the Council has received petitions from persons who considered that measures had been taken which were prejudicial to their interests. These complaints were forwarded to the Polish Government, which, in order to obviate all possibility of misunderstanding or of errors of procedure, requested the Central Liquidation Office to verify the registers and to examine once more the files in the light of M. Kozminski's declaration.

An exchange of views on the subject took place between the Brazilian, Polish, British, French, Czechoslovak, and Swedish representatives.

## VIII. — Political Questions.

### DELIMITATION OF THE ALBANIAN FRONTIER IN THE REGION OF ST. NAOUM

The question of the delimitation of the Serbo-Albanian frontier in the region of St. Naoum, a monastery situated on the Southern bank of Lake Ochrida, was

referred to the Council by a decision of the Conference of Ambassadors of June 4th, 1924. The region in question is at present occupied by Serb-Croat-Slovene troops. The Conference of Ambassadors, by its decision of December 6th, 1922, assigned to Albania, the monastery of St. Naoum. The Serb-Croat-Slovene Government, basing its argument on legal, ethnical and moral grounds, requested that this decision should be reconsidered. In these circumstances, the Conference, after having vainly endeavoured to reconcile various divergent opinions on the subject, laid the matter before the Council with a statement to the effect that the question had given rise to difficulties which might endanger the peace of Europe.

The Council undertook to deal with the question, which is twofold. The Conference of Ambassadors, in the first place, desires to know whether its decision of December 6th, 1922, assigning to Albania the Monastery of St. Naoum, completely exhausts the mission with which it was entrusted; in other words, whether this decision must be considered as valid and final. In the second place, the Conference requests the Council, should it consider that the Conference has not completely exhausted its mission, to recommend a solution regarding the Serbo-Albanian frontier in the region of St. Naoum.

As the first part of the question is purely legal and of an interlocutory character, the Council, re-inforced by the representatives of Albania and the Serb-Croat-Slovene Kingdom, decided, at its meeting of June 17th, to request the Permanent Court of International Justice for an advisory opinion on the following question :

“Have the Principal Allied Powers, by the decision of the Conference of Ambassadors of December 6th, 1922, exhausted, in regard to the frontier between Albania and the Kingdom of the Serbs, Croats and Slovenes at the Monastery of St. Naoum, the mission, such as it has been recognised by the interested parties, which is contemplated by a unanimous Resolution of the Assembly of the League of Nations of October 2nd, 1921?”

## 2. — APPOINTMENT OF THE PRESIDENTS OF THE MIXED ARBITRAL TRIBUNALS FOR HUNGARY AND THE SERB-CROAT-SLOVENE KINGDOM, FOR HUNGARY AND CZECHOSLOVAKIA, AND FOR HUNGARY AND ROUMANIA.

The question of the appointment of the Presidents of the Mixed Arbitral Tribunals for Hungary and the Serb-Croat-Slovene Kingdom, for Hungary and Czechoslovakia, and for Hungary and Roumania was dealt with by the Council on June 15th. It was placed on the agenda at the request of the Hungarian Government, which based its demand on Article 239 of the Treaty of Trianon. (Article 239 of the Treaty of Trianon provides for the establishment of Mixed Arbitral Tribunals for Hungary and each of the Allied and Associated Powers, stipulating that, in the case of failure of the interested parties to reach agreement concerning the appointment of the members of the tribunals, the president and two other persons, either of whom may in case of need take his place, shall be chosen by the Council of the League).

As regards the Serbo-Hungarian Tribunal, an agreement was reached by the parties before the beginning of the Council session. It was, therefore, no longer necessary for the Council to deal with this question. In the case of the Arbitral Tribunals for Hungary and Czechoslovakia and Hungary and Roumania, it appeared from information communicated on the subject, that the possibilities of agreement between the parties had not been entirely exhausted.

In these circumstances the Council decided to leave to the interested Governments the task of continuing the negotiations. At the same time the Council announced that, should no agreement be reached before its next ordinary session, it would be prepared during that session to make the necessary appointments.

## IX. — Social and Humanitarian Questions.

### 1. — REFUGEES

The reports of the League High Commissioner on the situation of Armenian, Greek and Russian refugees were dealt with by the Council on June 12th.

*Armenian Refugees.* — The Council had to consider a plan submitted by Dr. Nansen for the delivery of certificates of identity to 320,000 Armenian refugees, 150,000 of whom are in Syria, 120,000 in Greece, 20,000 in Bulgaria, 2,000 in Cyprus, 1,200 in Palestine, 8,000 in Mesopotamia and 20,000 in various European countries. The certificate has been drawn up according to the model adopted for Russian refugees. The Council invited the Members of the League and other interested Governments to give prompt and favourable attention to the scheme.

The question of the evacuation of these refugees was also discussed. The Greek representative, M. Argyropoulos, made known that his Government would be willing to bear a considerable part of the cost of the transport of the Armenian refugees from Greece.

*Russian Refugees.* — In his report on the situation of Russian refugees, the High Commissioner described certain measures of economy taken in his organisation with a view to complying with the wishes of the Assembly in that respect. After passing in review the work of the various delegations and the general situation of the refugees, the report laid particular stress upon the fact that no formal agreement covering a general repatriation scheme had been concluded with the Soviet Government, and that little hope remained of such an agreement being reached in the near future. In these circumstances, the High Commissioner felt that the problem of the employment and emigration of Russian refugees had become a technical question and called for the services of a permanent organisation. He therefore proposed to transfer the refugee work to the International Labour Organisation.

The Council adopted the conclusions of the report, subject to the decision of the Governing Body of the International Labour Office. At a later meeting the Council noted a letter from the Director of the International Labour Office to the effect that the Governing Body, while reserving the question of principle, had instructed a Committee of four members to obtain from the League of Nations all possible information on the subject. The Council, therefore, invited the Secretary-General and the High Commissioner to supply the Committee with information of a legal, constitutional, administrative and financial character.

*Greek Refugees.* — The report of the High Commissioner to the Council deals with the measures taken by his organisation to assist 661,000 Greek refugees, many of whom are still living in camps in Macedonia and Western Thrace. The efforts of the High Commissioner have led to the establishment of a Central Co-ordination Committee representing fifty relief organisations and various public departments. The High Commissioner has also succeeded in organising medical attendance for 1,200 refugees in fifty-two villages. In the district of Salonica 2,050 milk and 500 soup rations have been distributed daily for three months. A transit camp has been organised for Turkish refugees awaiting to be exchanged and the High Commission has collaborated in the construction of model refugee villages.

The Council authorised the High Commissioner to draw the attention of relief organisations to the present position of Greek refugees and to the necessity for affording them further assistance.

*The Greek Refugee Settlement Scheme* (1). — Lord Parmoor presented to the Council a report on the last meeting of the Greek Committee of the Council on May 7th in London. In view of the information which had been received that a second advance of one million pounds sterling from the Bank of England had been arranged, the Committee had decided that the settlement work which was of great importance, should be continued. The Committee also drew attention to the necessity of continuing charitable assistance to the Greek refugees until they could be definitely settled.

The report was adopted, and on the proposal of M. Argyropoulos, representative of Greece, the Council again delegated its powers to the Greek Committee of the Council in order that it might take decisions on any urgent questions which might arise before the next meeting of the Council.

## 2. — THE TRAFFIC IN WOMEN AND CHILDREN

*Resolutions of the Council.* — The Council, on June 11th, approved the report of the Advisory Committee on Traffic in Women and Children on its third session (2). With a view to facilitating the work of the Committee, the Council requested States Members to send in their annual reports on measures taken or contemplated to suppress the traffic, by certain fixed dates—April 1st in the case of Western States and July 1st in the case of Eastern countries—and invited Governments which had not already done so to communicate to the Committee copies of all laws and regulations dealing with the traffic.

The Council further invited States which had signed the 1904 Agreement, but which had not yet appointed central authorities to deal with the traffic to do so as soon as possible. It requested the Advisory Committee to continue its investigation of certain aspects of the question of licensed houses which might be connected with the traffic, and expressed the hope that Governments which had not as yet made known their opinions on the subject would furnish the necessary information.

## 3. — FAMINE IN ALBANIA

The Council, on June 11th, considered the first report of Professor Pittard, of Geneva University, who had been delegated to administer the funds collected for the relief of the famine-stricken population of northern Albania.

Lord Parmoor drew attention to the fact that, as a result of an appeal of the Council, total contributions of £ 16,500 had been received. Subsidies in kind had been received from the Italian Red Cross and the Roumanian Government, and the French Committee of the "Save the Children Fund" had raised considerable sum to be distributed on the spot. Professor Pittard had thus been able to organise relief on a large scale, but still much remained to be done.

The Council, on the proposal of Lord Parmoor, decided to draw the attention of States Members which had not already contributed to the fund to the facts mentioned in Professor Pittard's report. The Council requested Professor Pittard to return to Albania, or, if it should prove impossible for him to go himself, to nominate a competent person to take his place as administrator of the relief funds. Professor Pittard, being retained by his duties at Geneva University, nominated M. Cuénod, of Lausanne, who has left for Albania.

## 4. — APPOINTMENT OF A TEMPORARY COMMITTEE ON SLAVERY

On June 12th, the Council appointed a committee of experts to continue the investigations on the subject of slavery (3).

(1) See *Monthly Summary*, Vol. IV, No. 5, p. 91.

(2) See *Monthly Summary*, Vol. IV, No. 4, p. 81.

(3) See *Monthly Summary*, Vol. IV, No. 3, p. 70.

The nominees are M. Delafosse (France), former colonial Governor-General; M. Freire d'Andrade (Portugal), former Foreign Minister, Member of the Permanent Mandates Commission; M. Gohr (Belgium), Director-General in the Colonial Ministry; Sir Frederick Lugard (Great Britain), former Governor of Nigeria, Member of the Permanent Mandates Commission; M. Van Rees (Netherlands), former Vice-Chairman of the Council of the Dutch East Indies, Vice-Chairman of the Permanent Mandates Commission; Commander Roncagli (Italy), Secretary-General of the Italian Geographical Society; M. Louis Dantès Bellegarde (Haïti), former Minister of Haïti in France.

Mr. H. A. Grimshaw will represent the International Labour Organisation on the Committee.

The Council requested the Committee to communicate to it, if possible before its next session, any proposals the Committee might have to submit, and instructed the Secretary-General to convene the Committee for July 9th at Geneva.

## X. — Forthcoming Events.

- July 17th : Conference of Experts on the Exchange of Publications, Geneva.
- July 21st : Meeting of Sub-Committee for Ports and Maritime Navigation, London.
- July 21st-24th : Meetings of Sub-Committees of the Committee on Intellectual Co-operation, Geneva.
- July 23rd : Meeting of Committee of Jurists on the Interpretation of Article 4, § 5 of the Covenant, Geneva.
- July 25th : Fourth plenary session of the Committee on Intellectual Co-operation, Geneva.
- July 23-30th : Meeting of the Committee on Legal Assistance to the Poor, Geneva.
- August 4th : Sixth session of the Advisory Committee on Traffic in Opium, Geneva.
- August 15th : Meeting of Financial Committee for special enquiry as regards the financial reconstruction of Austria, Vienna.
- August 26th : Thirteenth session of the Economic Committee, Geneva.
- August 29th : Thirtieth session of the Council, Geneva.
- August 31st : Meeting of Malaria Commission, Italy.
- September 1st : Fifth Assembly of the League of Nations, Geneva.

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JULY 1924

Vol. IV. No. 7.

Published on August 15th.

## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month.</i> . . .	125	a) Meeting of the Sub-Committee on Inland Navigation. . . . .	133
II. <i>The Permanent Court of International Justice.</i> Fifth Session. . . . .	126	b) Meeting of the Sub-Committee on Ports and Maritime Navigation . . . . .	134
III. <i>Reduction of Armaments and Military Control.</i> . . . .	127	4. Fourth session of the Committee on Intellectual Co-operation. . . . .	136
1. Tenth Session of the Temporary Mixed Commission . . . . .	127	VI. <i>Administrative Questions</i> . . . . .	140
2. Interpretation of Article IV § 5 of the Covenant. Meeting of the Committee of Jurists. . . . .	129	1. The Saar. . . . .	140
IV. <i>General Questions</i> . . . . .	129	a) Eighteenth Periodical Report of the Saar Basin Governing Commission. . . . .	140
1. Meeting of the Committee on the Allocation of Expenses. . . . .	129	b) Local Gendarmerie and French Troops. . . . .	143
2. Meeting of the Committee on International Arrangements for civil Justice to the Poor . . . . .	130	2. Fourth Session of the Permanent Mandates Commission. . . . .	143
V. <i>Technical Organisations.</i> . . . .	130	VII. <i>The Protection of Minorities.</i> . . . .	145
1. The Health Organisation . . . . .	130	Moslems of Albanian Origin in Greece. . . . .	145
Second General Interchange of Medical Officers of Health . . . . .	130	VIII. <i>Social and Humanitarian Questions.</i> . . . .	146
2. The Economic and Financial Organisation . . . . .	130	1. The Opium Traffic . . . . .	146
a) The Financial Reconstruction of Austria. . . . .	130	Fourth Session of the Preparatory Committee for the General Conferences. . . . .	146
b) The Financial Reconstruction of Hungary. . . . .	131	2. Meeting of the Temporary Committee on Slavery . . . . .	147
3. Communications and Transit. . . . .	133	IX. <i>Forthcoming Events</i> . . . . .	147

Communications concerning the *Monthly Summary* should be addressed to the Information Section, League of Nations, Geneva

### I. — Summary of the Month.

A considerable number of committee meetings, dealing with almost all branches of the League's activity, took place in July.

The Temporary Mixed Commission for the Reduction of Armaments, which met in plenary session the beginning of the month, drew up a draft convention on the control of the traffic in arms, the text of which will be submitted to the Council. It also considered the question of national control of the private manufacture of arms, munitions and war material. With regard to the composition of the

Council when its right of investigation under certain articles of the Peace Treaties comes up for discussion, a point raised at the last Council meeting, a special Committee of Jurists formulated an opinion on the interpretation of paragraph 5 of Article IV of the Covenant in this connection.

The Permanent Mandates Commission completed its examination of a certain number of annual reports of the Mandatory Powers. The Commission will meet again in October.

The Committee on Intellectual Co-operation held a plenary session towards the end of the month, which was preceded by meetings of its Sub-Committees on Bibliography, Intellectual Property, and University Relations. A particularly interesting feature of this meeting was the offer of the French Government to create an International Institute of Intellectual Co-operation with seat in Paris.

In the social and humanitarian field, the Temporary Committee on Slavery, which met for the first time, drew up a programme of work for submission to the Council, and the Preparatory Committee for the Opium Conference held its fourth and final session. The Committee on International Arrangements for Civil Justice to the Poor met at the end of the month.

The second general interchange of public health officers, which took place in Holland and Denmark and lasted nearly two months, came to an end on July 14th at Geneva.

Questions connected with inland and maritime navigation were considered by sub-committees of the Committee on Communications and Transit at meetings in Brussels and London. Progress was noted in the work of financial reconstruction in Hungary and Austria, an important law on the salaries of civil servants being passed in the latter country.

The Governing Commission of the Saar Territory forwarded to the Secretary-General its eighteenth report, which furnished detailed information on the economic situation in the Territory. The Mixed Commission for the Exchange of Greek and Turkish Populations reported to the Council on measures taken in connection with the exemption from exchange of Greek nationals of Moslem faith and Albanian origin settled in Epirus.

On July 15th and 16th, hearings took place before the Permanent Court of International Justice on the preliminary objection raised by the British Government to the competence of the Court in the *Mavromatis* case.

## II. — The Permanent Court of International Justice.

### FIFTH SESSION

The Permanent Court of International Justice, which has been in session since June 16th, had before it in July questions in connection with the *Mavromatis* case (1) and the Serbo-Albanian frontier (2).

#### 1. *The Mavromatis case.*

Hearings in connection with the *Mavromatis* case took place on July 15th and 16th. The following Agents and Representatives had been appointed by the Parties :

For the British Government : Agent and Representative : Sir Cecil Hurst;

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(1) See *Monthly Summary*, Vol. IV, No. 6, p. 107.

(2) See *Monthly Summary*, Vol. IV, No. 6, p. 120.

For the Greek Government : Agent : Mr. E. Kapsambelis, Greek Minister at The Hague; Representatives before the Court : Mr. Politis, Greek Minister at Paris, Sir Hamar Greenwood, K.C., and Mr. Henry Purchase.

After hearing the statements of Sir Cecil Hurst and Mr. Politis on the preliminary objection to the competence of the Court raised by the British Government, the Court adjourned.

2. *Request for an Advisory Opinion on a point in connection with the Serbo-Albanian frontier in the district of St. Naoum.*

The Court, in a public hearing on July 23rd, considered a point in connection with the Serbo-Albanian frontier in the region of St. Naoum, referred to it for an advisory opinion by the Council.

The following Representatives were present :

For Albania : Mr. Konitza, Albanian Minister in Paris and London; Mr. Blinishti, delegate to the League of Nations; Professor Gilbert Gidel.

For the Serb-Croat-Slovene Kingdom :

Mr. Spalaikovitch, Serbian Minister in Paris.

The Greek Government, being of opinion that it could furnish the Court with useful information for the drawing up of its advisory opinion, had requested permission to state its views on the subject. The Court having acceded to this demand, the Greek Government was represented by Mr. Kapsambelis, Greek Minister at The Hague.

After hearing the representatives of the interested Parties the Court adjourned.

### III. — Reduction of Armaments and Military Control.

#### 1. — TENTH SESSION OF THE TEMPORARY MIXED COMMISSION

The Temporary Mixed Commission for the Reduction of Armaments held its tenth session from July 7th to 12th at Geneva. The principal questions on the agenda concerned the control of the traffic in, and private manufacture of, arms and munitions.

The following members were present :

*Members selected by the Council of the League of Nations.*

Commander Deleuze (France); Mr. Lebrun (France), Mr. Branting (Sweden); Lord Cecil (Great Britain); Major J. Waller Hills (Great Britain); Mr. Cobian (Spain); Mr. Schanzer (Italy); Count Bonin-Longare (Italy); Prince Lubomirski (Poland); Count Hirosawa (Japan); Mr. Holsti (Finland); Mr. E. Villegas (Chile).

*Experts selected by the Permanent Advisory Commission for Military, Naval and Air Questions.*

Lt. Colonel Shimomoto (Japan); Commander Montagut (Spain); Rear-Admiral de Souza e Silva (Brazil); Colonel Réquin (France); General A. de Marinis (Italy); Rear-Admiral Aubrey Smith (Great Britain).

*Experts selected by the Economic and Financial Commission.*

Mr. Jancovici (Roumania); Marquis A. de Viti di Marco (Italy); Mr. Dupriez (Belgium).

*Delegates of the Workers' Group of the Governing Body of the International Labour Office.*

Mr. L. Jouhaux (France); Mr. J. Oudegeest (Holland), Mr. Thorberg (Sweden).

*Delegates of the Employers' Group of the Governing Body of the International Labour Office.*

Mr. Hodac (Czechoslovakia); Mr. Oersted (Denmark), Colonel David Carnegie (Canada).

Prince Arfa-ed-Dowleh (Persia) and Mr. Hugh Gibson, Minister of the United States at Berne, also attended the meeting. Mr. Gibson, at the beginning of the session, stated that his Government desired to co-operate effectively in any effort desired to control the traffic in arms and munitions, and was prepared to give due consideration to any proposals which might be made. His Government, Mr. Gibson said, would welcome any draft convention which it could submit to Congress with good prospect of ratification.

*International control of the traffic in arms and munitions.* — On the basis of the work of its first sub-committee last March, the Commission drew up the text of a draft convention on the international control of the traffic in arms and munitions. This draft will be submitted to the Council, and eventually to the Assembly, with a view to the convocation of an International Conference of Plenipotentiaries.

The text provides for the following classification of the different kinds of arms and munitions :

*First Category.* — a) Arms and munitions, complete or in parts, exclusively designed for land, naval or air warfare, however they may be used :

b) certain special types of war material and unmounted pieces used solely for their construction.

*Second Category :* Arms and munitions, complete or in parts, adapted both to warlike and other purposes.

*Third Category :* Arms and munitions without any military value.

The trade in weapons of the first category and, in certain cases, of the second category, will, according to the draft convention, be subject to control by a system of licences, the object of this system being to confine the export of war material to consignments purchased by Governments.

A central International Body shall be set up by the Council of the League for the purpose of collecting, preserving and publishing documents of all kinds exchanged by the High Contracting Parties with regard to the international trade in arms, munitions and war material, as well as the texts of all laws, orders and regulations made for the carrying out of the present convention.

Each of the High Contracting Parties shall publish an annual report showing the export licences it may have granted under the terms of the convention.

*National control of the private manufacture of arms, munitions and war material.* — The Commission also laid down principles which may form the basis of a general convention on the national control of the manufacture of arms, munitions

and war material. The Commission considers that such national control, while leaving Governments full latitude to purchase the necessary war material from private or State enterprises, should aim at preventing 1) the clandestine manufacture of arms; a convention to this effect would, therefore, complete that on the traffic in arms and munitions; 2) all irregular proceedings or bribery in negotiations relating to the purchase of war material by Governments.

## 2. — INTERPRETATION OF ARTICLE IV, § 5 OF THE COVENANT

### *Meeting of the Committee of Jurists.*

The Committee of Jurists requested by the Council to give an opinion on the interpretation of paragraph 5 of Article IV of the Covenant as regards the composition of the Council when the question of the right of investigation contemplated in Articles 159 of the Treaty of St. Germain, 143 of the Treaty of Trianon and 104 of the Treaty of Neuilly is discussed, met from July 28th to 29th at Geneva (1).

The following members were present :

Mr. Basdevant (France), Mr. Botella (Spain), Mr. de Castro (Uruguay), Mr. Castello Branco Clark (Brazil), Mr. Kremer (Czechoslovakia), Mr. Matsushima (Japan), Lord Phillimore (Great Britain), Mr. Rolandi-Ricci (Italy), Mr. Rolin (Belgium) and Mr. Unden (Sweden).

On the proposal of Mr. Rolandi-Ricci, Lord Phillimore was unanimously elected Chairman.

The Committee, after considering the various aspects of the questions, drew up its opinion, which will be communicated to the Council.

## IV. — General Questions.

### 1. — MEETING OF THE COMMITTEE ON THE ALLOCATION OF EXPENSES

The Committee on the Allocation of the Expenses of the League met from July 3rd to 5th at Geneva with Mr. Reveillaud in the chair. The following members were present :

Mr. Barbosa Carneiro,  
Mr. Jancovici,  
Mr. Matsuyama,  
Mr. F. Phillips,  
Mr. Soleri,  
Mr. Dudley Ward  
(substitute for Sir Henry Strakosch),  
Mr. Oldenburg  
(substitute for Mr. Zahle).

In its report the Committee concluded that, owing to difficulties resulting from the fluctuations of the exchanges and the present economic crisis, it would be impossible this year to submit to the Assembly a new scale for the allocation of the expenses of the League. The Committee, however, considered that, should the Assembly and the Council renew its mandate, a wider scope should be assigned

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(1) See *Monthly Summary*, Vol. IV, No. 6, p. 128.



to its activity. This would enable the Committee to make use of budgetary information furnished by Governments and also of data already in its possession. This study would bear on the position of all Members of the League and would aim at correcting certain errors in the scale at present in force with a view to preparing the way for a definitive scale. The Committee would thus be in a position to present to the Assembly of 1925 an amended version of the provisional scale, which could be applied as from 1926.

## 2. — MEETING OF THE COMMITTEE ON INTERNATIONAL ARRANGEMENTS FOR CIVIL JUSTICE TO THE POOR

The Committee of Experts for the investigation of the question of international arrangements for civil justice to the poor met at Geneva on July 30th. The following members were present :

Mr. Lucien Baudelot (France), Sir William Chitty (Great Britain), Professor Mikael Lie (Norway), Mr. Silvio Longhi (Italy), Professor S. Nagorski (Poland), Professor Adolfo Posada (Spain), Mr. Reginald Heber Smith (United States) and Professor K. Takayanagi (Japan). Mr. Varlez represented the International Labour Office.

The question of international arrangements for civil justice to the poor was brought before the Assembly by the Norwegian delegation, which pointed out the desirability of establishing co-operation between the offices for legal assistance existing in certain countries with a view to safeguarding the legal rights of the poor.

## V. — Technical Organisations.

### 1. — THE HEALTH ORGANISATION

#### *Second General Interchange of Medical Officers of Health.*

The second general interchange in 1924 was held from April 24th to May 30th in Holland and from June 1st to July 14th in Denmark. Twenty-five participants, from Bulgaria, Chili, Denmark, France, Germany, Great Britain, Greece, Hungary, Italy, Mexico, Norway, Paraguay, Poland, Portugal, Russia, the Kingdom of the Serbs, Croats and Slovenes, Spain, Switzerland, the United States and Venezuela, attended the Dutch interchange, twenty-seven medical officers of health from the health administrations of Austria, Czechoslovakia, Finland, France, Germany, Great Britain, Greece, Holland, Hungary, Italy, Latvia, Mexico, Paraguay, Poland, Portugal, Russia, the Kingdom of the Serbs, Croats and Slovenes, Switzerland, the United States and Venezuela, taking part in the Danish interchange.

The interchange was organised on the lines of the previous general interchanges. It was devoted to a study of the health administration and legislation of the countries concerned and divided into lectures and periods of observation on the spot, ending with the usual three days' discussion and study at Geneva of the League Health Organisation.

### 2. — THE ECONOMIC AND FINANCIAL ORGANISATION

#### *a) The Financial Reconstruction of Austria.*

Information from the Commissioner-General's Office shows normal progress in the reconstruction work in July. The Austrian Parliament passed a new law

dealing with the salaries of state officials, and tabled a bill on the re-organisation of the salt monopoly.

*Reforms.* — After long and difficult negotiations the Austrian Parliament passed a law definitely fixing the salaries of civil servants and persons employed in State enterprises. A bill on the reorganisation of the salt monopoly was brought in by the Government. The proposed reorganisation is on the same lines as that put into practice last year with regard to the railway administration, and entails the transformation of a State enterprise into an autonomous undertaking.

*Dismissals of officials.* — The total number of officials dismissed from October 1st, 1922, the date of the beginning of the reconstruction period, to July 19th, 1924, is 68,852 (17,481 civil servants and 51,371 employees of State enterprises), an increase of 926 on the figures of June 21st.

The number of dismissals by the end of June should, according to the reconstruction programme, have been 100,000.

*Budget estimates for July.* — The budget estimate for July shows the following figures :

	Milliards paper	Millions gold
Expenditure . . . . .	758	52.6
Revenues. . . . .	657	45.6
Deficit (to be covered out of yield of reconstruction loan). . . . .	101	7

*Assigned Revenues.* — In June the gross yield of the Customs and of the Tobacco Monopoly, assigned as guarantees for the reconstruction loan, was 295 milliard paper crowns (203 milliards from the Tobacco Monopoly and 92 milliards from the Customs), or 20.4 million gold crowns.

*General situation.* — The number of unemployed—68,476 at the beginning of June—fell to 63,083 at the beginning of July (37,986 in Vienna and suburbs). The bank and savings bank deposits rose from 79 million gold crowns at the beginning of June to 85 millions at the beginning of July.

The cost of living index for June is 1 per cent lower than that for May.

The weekly balance sheet of the National Bank, published on July 15th, shows note circulation of 7,534 milliard paper, or 523 million gold crowns, with a 43 % cover in gold and foreign currencies.

If current accounts to the amount of 1,067 milliard paper or 73 million gold crowns be added to the note circulation, it will be seen that total commitments of 8,601 milliard paper or 586 million gold crowns have a cover percentage of 37.8.

The Statistical Office has published the commercial statistics for 1923. Goods to the value of 1,030,551 million gold crowns were exported, the imports figuring 1,849,037 millions. The import figure, therefore, exceeds the export figure by 818,486 million gold crowns.

#### b) *The Financial Reconstruction of Hungary.*

The second Monthly Report of the Commissioner General for Hungary has been published. This report, which covers the month of June, shows the following main features.

*Reconstruction Loan.* — It will be recalled that the Council at its twenty-ninth Session decided to notify the Reparation Commission that it undertook the responsibility of completing the reconstruction plan contained in the Protocols of

March 14th, 1924, thereby fulfilling the condition under which the Reparation Commission liberated from the priority in favour of reparation and other charges certain Hungarian State assets assigned as security for the Reconstruction Loan. The Reparation Commission on July 18th noted the communication of the Council. The Commission declared that its decision with regard to the raising of its liens on certain Hungarian assets was consequently final.

Definite arrangements for placing the entire effective amount of this Loan (250,000,000 gold crowns) were concluded during June. The British, American, Swedish and Dutch blocks were issued between July 2nd and July 4th, the Italian on July 10th, in each case with very satisfactory results, and the remaining blocks (the Swiss, Hungarian, and Czechoslovak) are to be issued during the month of July.

*National Bank.* — Meanwhile the work of reconstruction was advancing in Hungary itself. On June 24th an important event took place in the opening for business of the Hungarian National Bank, which has the exclusive privilege of issuing bank-notes and is prohibited by its statutes from making loans to the Government and other public bodies except against gold or stable foreign currencies. This means that the Government can no longer resort to inflation to meet its liabilities. Hungarian opinion, encouraged by the reception given to the Commissioner General's first report by the Council of the League, by the opening of the Bank and the successful issue of the main blocks of the Loan, showed its confidence by delivering considerable amounts of foreign currency, and the exchange rate, which had sunk to its lowest point at the end of May, recovered to a level at which it has remained ever since.

*Pledged Revenues.* — The yield of the revenues pledged as security for the Reconstruction Loan (customs receipts, tobacco monopoly, sugar tax and salt monopoly) was in excess of the estimate prepared by the Financial Committee. For June the total reached is much higher still. Customs receipts for this month, including as they do some payments properly belonging to previous months, are abnormally high, but the result achieved is partly due to a new system under which all moneys received are paid directly into blocked accounts, whereas in May the railways retained sums for the reduction of their deficit. In the case of the tobacco monopoly, an increase in prices and improvements in the methods of sale have greatly increased the yield. The revenues from these sources in May were 103 milliard paper crowns (6 million gold), rising to 188 milliard paper (11 million gold) crowns in June.

*Treasury Reform.* — One of the most important reforms agreed upon by the League Delegation and the Hungarian Government has now been carried out, and the new system is in operation. Under it, all receipts and expenditure are centralised by the agency of the National Bank. Receipts are collected through the postal savings banks and remitted daily to the National Bank. Each month the Ministry of Finance instructs the National Bank to open a special account for each of the spending departments, which is credited with its monthly appropriation provided in the budget.

Thus there is a complete separation of receipts from expenses. The books of the National Bank contain a daily record of all receipts, the departments cannot spend more than their appropriation without special authority from the Ministry of Finance, and the Government's cash position is automatically shown by the State of its accounts at the Bank.

The preparation of monthly budgets and the furnishing of closed accounts and statements of arrears play an important part in the reconstruction plan, and some progress has already been made in this direction.

*The position at the close of the financial year.* — The Hungarian financial year closes on June 30th, a date which coincides with the end of the first two months of the control which began with the Commissioner General's arrival on May 1st, and marks an important stage in the execution of the programme. When it is considered that the amount estimated as necessary to cover arrears and deficits for this period has not been entirely expended, and that a substantial surplus remains for use at some future time as necessity arises, the situation is seen to be very encouraging.

The successful issue of the loan provides the Hungarian Government with cover for its budget deficit for the next two years and removes the overwhelming financial difficulties with which it had been struggling. What remains to be done is for the Hungarian Government and people to turn the time thus afforded to account by carrying out a process of economic adaptation which, though the League will help wherever it can, must be achieved mainly by their own efforts. Further sacrifices will be required, difficulties will have to be solved, but the energy with which Hungary has proceeded hitherto and the spirit in which the country has responded to the demands made upon it give ample cause for confidence.

### 3. — COMMUNICATIONS AND TRANSIT

#### a) *Meeting of the Sub-Committee on Inland Navigation.*

The Sub-Committee on Inland Navigation set up by the Advisory and Technical Committee on Communications and Transit, met at Brussels from July 1st to 5th, with M. Sylvain Dreyfus in the Chair. The following members were present :

Dr. Stievenard	(Belgium).
Mr Ouang-Hang	(China).
Mr Baldwin	(Great Britain).
Mr Dobkevicius	(Lithuania).
Mr. Winiarski	(Poland).
Mr. Popesco	(Roumania).
Mr. Hostie, Secretary-General of the Central Commission for the Navigation of the Rhine.	

The agenda of the meeting comprised the following questions in their relation to inland navigation : The unification of tonnage measurement and of the registration of vessels; the unification of private law and of statistics; and the application of the resolutions of the Genoa Conference.

*Unification of Tonnage Measurement and of the Registration of Craft.* — By the Brussels Convention of 1898, Belgium, France and certain German States bound themselves to the reciprocal recognition of tonnage certificates delivered by their respective competent authorities. In view of the prospective development of inland navigation as a result of the completion of certain German canals in course of construction, the Advisory and Technical Committee was of opinion that the extension to other countries of the regime of the reciprocal recognition of tonnage certificates would be to the advantage of the signatories of the Brussels Convention; and, further, that it might be of interest to non-signatory States to introduce measures based on this regime with a view to facilitating inland navigation.

For this reason, the Advisory Committee decided to examine the question of the unification of tonnage measurement and invited the Central Commission for the Navigation of the Rhine to study the working of the Brussels Convention with a view to suggesting such modifications as might appear desirable.

The Sub-Committee on Inland Navigation, at its July meeting decided to request a committee of experts to work out a draft international convention on the unification of tonnage measurement for vessels employed on inland navigation, the convention to be based on the principle of the reciprocal recognition of tonnage certificates and so drawn up as to be acceptable for all the riparian States of the European waterway system.

The Committee of experts will examine all information received up to the present date; it will consider the question of the registration of craft in its relation to the registration of tonnage certificates only.

The Swiss Government having made known that it wished to adhere to the Brussels Convention, the Sub-Committee stated its opinion that, pending the completion of its investigation in view of a general convention, there was no reason why the Brussels Convention should not be so amended as to allow of Switzerland's adhesion.

*Unification of Private Law as regards Inland Navigation.* — The Advisory and Technical Committee on Communications and Transit had requested the various international river commissions to study the question of the unification of private law in inland navigation, especially as regards mortgages, preferential treatment, collisions and assistance. The special investigation of the Central Commission for the Navigation of the Rhine is at present sufficiently advanced to form the basis of the work of a more general character assigned to the Sub-Committee on Inland Navigation. The Sub-Committee recommended that, not later than the beginning of 1925, a committee of experts should investigate the question of the total or partial unification of private law on inland navigation for the whole of Europe or for groups of States with interests in one and the same waterway system.

*Unification of Statistics for Inland Navigation.* — The Sub-Committee on Inland Navigation decided to continue to collect information on this subject from Governments, interested circles and, especially, from the International Association of Navigation Congresses.

The resolutions adopted by the Sub-Committee on the question of the unification of tonnage measurement, of private law and statistics as regards inland navigation in Europe, will be communicated to non-European States as it is possible that their Governments may consider that like problems on their continents should be dealt with similarly.

*Application of the Resolutions of the Genoa Conference.* — In 1922 the Genoa Conference requested the League Organisation on Communications and Transit to investigate from time to time the improvement of means of transport and the progress of international co-operation for their material restoration. To give effect to this resolution, the Advisory and Technical Committee has conducted an investigation bearing principally on the general condition of transport by rail. The results of this survey have been published (1).

The Sub-Committee on Inland Navigation decided to complete this survey by an investigation of the general situation of inland navigation in Europe, from a technical, commercial, and administrative point of view.

#### b) *Meeting of the Sub-Committee on Ports and Maritime Navigation.*

The Sub-Committee for Ports and Maritime Navigation of the Advisory and Technical Committee for Communications and Transit met in London on July 21st. The Sub-Committee, which is divided into a committee for maritime navigation

(1) See *Monthly Summary*, Vol. III, No. 8, p. 177.

presided over by M. de Aguero y Bethancourt, Cuban Minister at Berlin and Vienna, and a committee for ports presided over by M. Smith, Norwegian Director of Ports, consists of members of the Advisory Committee with special knowledge of these questions, and a certain number of experts, port officials, shipowners, etc.

The Sub-Committee examined the problem of safety at sea and the protection of shipping, which had been previously referred to the Advisory Committee. After lengthy discussion the Sub-Committee agreed that there were two distinct categories of questions involved : those relating to measures to be taken on board ship, which had been dealt with in the 1914 Convention concluded after the wreck of the "Titanic" and those relating to measures to be taken on shore, the organisation of the means of saving life, etc. With regard to measures on board ship, the Sub-Committee came to the conclusion that the experience of the war showed that from the technical point of view, the question had not yet received sufficient attention to permit of the immediate consideration of an international convention, although the adoption of uniform measures in the various countries was unanimously thought desirable. Further, having noted the work with which the British Government is now proceeding with a view to revising the 1914 Convention, the Sub-Committee decided to follow its progress in order to be in a position, if necessary, to offer its assistance, and to postpone the detailed examination of the problem until a later date.

As regards, however, the bearing of wireless telegraphy questions on the safety of shipping, the Sub-Committee considered that the matter should be made the subject of an international arrangement at an early date, as soon as satisfactory results had been obtained from the technical studies now proceeding (especially in connection with automatic receiving instruments for signals of distress and direction-finding instruments).

With regard to the measures to be taken on shore, *e.g.*, for the purpose of securing uniformity in the buoy and signal systems and in the light-house services, the Sub-Committee decided to examine the question at once, with the assistance of a Committee of specialists, the object of its investigation being to conclude an international agreement as soon as possible.

With regard to the unification of marine charts, the Sub-Committee decided to refer the matter to the International Hydrographical Bureau at Monaco.

Finally, the Sub-Committee decided to undertake a preliminary enquiry into the present situation as regards the organisation of means of life-saving.

The Sub-Committee further discussed the question of the unification of tonnage measurement for maritime shipping. The present situation gives rise to difficulties more especially in regard to fiscal discrimination between vessels in ports. The Sub-Committee decided to make certain technical enquiries with a view to the prompt establishment of uniform regulations for tonnage measurement and of uniform methods for the application of these regulations, as the main result of the different systems at present in force is extra expense for shipping and, indirectly, delays for consumers and owners.

The Sub-Committee considered what reforms were required in international sanitary regulations with a view to reducing the expenses, delays and formalities from which shipping and international trade at present suffer. This work appeared especially necessary in view of the fact that the present sanitary convention is in course of revision. The Sub-Committee desired not merely to reduce expenses, delays and formalities, but also to satisfy itself that the application of the sanitary regulations should not indirectly give rise to flag discrimination. It adopted a number of provisions and suggested that they should be submitted to technical investigation in cooperation with the Health Committee of the League of Nations.

The Sub-Committee finally dealt with the problem of double taxation and its effects on sea-borne trade. It noted with satisfaction the negotiations in progress between Governments for the fiscal exemption of shipping profits on the basis of reciprocity and the agreements already concluded on this subject. It submitted

certain suggestions to the sub-committee of the League of Nations which is studying the question of double taxation.

The majority of the questions mentioned above were treated on the basis of the discussions of the International Shipping Conference which was recently held in London. The Sub-Committee received a detailed account of these discussions from Sir Alan Anderson, President of the International Shipping Conference, who is also a member of the Sub-Committee's Committee for Maritime Navigation.

The Sub-Committee decided to make identical representations to the various Governments with a view to obtaining as soon as possible the signature and ratification of the Convention on the International Regime of Maritime Ports concluded at Geneva in December, 1923. It considered that the putting into force of this Convention was a matter of paramount importance for shipping trade.

#### 4. — COMMITTEE ON INTELLECTUAL CO-OPERATION

##### Fourth Plenary Session.

The Fourth session of the Committee on Intellectual Cooperation was held at Geneva from July 25th to 29th under the chairmanship of M. Bergson. It was preceded by meetings of the Sub-Committees on Intellectual Property, University Relations and Bibliography, and by a meeting of a Committee of Experts appointed to consider the question of revising the Brussels Conventions of 1886 on exchanges of publications.

The work of the experts and the action taken by the Committee to give effect to their recommendations constitute one of the most important features of this session. Further, the Committee noted that the question of scientific property (enquiries with a view to assuring a material reward for scientists whose discoveries lead to applications in industry) was receiving the attention of a large number of Governments. The work for the coordination of analytical bibliography in certain branches of science has also made considerable progress. Finally, the chairman informed the Committee of an offer made by the French Government to set up at Paris an International Office of Intellectual Cooperation, which would assist the Committee in its work. The Committee expressed its gratitude for this generous offer, which will be referred to the Council and the Assembly for a decision.

The following members attended the meeting : Mr. Bergson (France), Chairman, Professor Gilbert Murray (British Empire), Mme. Curie-Sklodowska (Poland), Mr. de Castro (Brazil), Mr. de Reynold (Switzerland), Mr. Destrée (Belgium), Professor Einstein (Germany), Professor Lorentz (Netherlands), Mr. Lugones (Argentina), Mr. Millikan (United States), Mr. Ruffini (Italy); Mlle Bonnevie and Mr. Torres Quevedo were represented by M. Knoph and M. Casares respectively. Various experts attended both the plenary session and the meetings of the Sub-Committees.

On opening the plenary session the Chairman welcomed Mr. Lugonès, who is a new member of the Committee, and Professor Einstein, who took part in their proceedings for the first time.

*Exchanges of publications.* — The Committee of Experts appointed to examine the revision of the Brussels Conventions of 1866 concerning international exchanges of publications had two objects in view : (1) to induce States which had not adhered to the Conventions on the ground that they regarded their provisions as too onerous in practice, or for any other reason, to consent to organise exchanges; (2) to enlarge the scope of the Conventions so as to embrace in the system of exchanges certain publications not included at present.

The Committee prepared a draft additional protocol to the Brussels Conventions with a view to enabling States to adhere to the Conventions subject to the condition that they merely exchanged a limited number of publications. It also

prepared a draft convention which, as a supplement to the 1886 Conventions, would have the result of developing exchanges of scientific and literary publications. This Convention would make the exchange of certain bibliographical publications compulsory and would facilitate the exchange of certain semi-official publications (more especially those issued by universities, academies, learned societies and scientific institutions) and also of works of which the libraries possess duplicates. Finally, the Committee discussed certain practical questions connected with the organisation of national exchange bureaux and the means of increasing the numbers of exchanges and making various recommendations in the matter.

The conclusions of the Committee of Experts were adopted by the Committee of Intellectual Co-operation.

*International loans of books and manuscripts.* — The Committee of Experts also discussed the question of loans between libraries in the various countries. Very few loans of this kind are made at present and they are subject to formalities which might be simplified. In accordance with a recommendation of the Committee of Experts the Committee on Intellectual Co-operation decided to investigate the problem.

*Coordination of works of analytical bibliography.* — At an earlier session the Sub-Committee on Bibliography made certain definite proposals to be communicated to the editors of periodicals and technical journals dealing with physics and physical-chemistry <sup>(1)</sup>. The proceedings of the present session point to the probability that an agreement—the effect of which will be to render possible a rapid and complete documentation on works dealing with physics and the extensions of that science—will be reached.

The Sub-Committee considered the question of recommending a similar arrangement in regard to social sciences. In the course of the debate, it was agreed that, at the outset, one group only of the social sciences should be taken into consideration, namely, the economic sciences.

*Enquiry into Intellectual Life.* — The Committee considered certain reports on the progress of the enquiry into the conditions of intellectual life. Mr. de Reynold submitted a general report on the procedure employed and the results obtained to date. He drew particular attention to one of the first practical results of the enquiry, namely, the formation in several countries of national committees on intellectual co-operation.

Mr. de Halecki submitted a general report on the enquiry in central and eastern European countries. He suggested certain remedies which were approved by the Committee, as being likely to alleviate the sufferings of intellectual workers in those countries.

*The International University Information Office.* — The Committee also examined a report from the Directing Board of the International Office. It adopted various proposals for the improvement of the Bulletin issued by the Office, which will henceforth appear every two months. The Committee also examined the question of the development of relations between the Office and certain University publications.

*Protection of Scientific Property.* — The Committee took note of the opinions put forward by certain Governments regarding the scheme submitted by Mr. Ruffini for the protection of scientific property <sup>(2)</sup>. While criticising certain provisions

(1) See *Monthly Summary*, Vol. IV, No. 5, p. 95.

(2) See *Monthly Summary*, Vol. III, No. 8, p. 175.



in the scheme, the Governments as a whole considered it an excellent basis for discussion.

The Committee proposes to the Council and Assembly that the work of collecting the opinions of the Governments should be continued, and that a Committee of Experts should be convened in 1925 to draw up, on the basis of Mr. Ruffini's scheme and of the observations made upon it, a definitive draft international Convention for the protection of scientific property.

*The Cinematograph and Intellectual Life.* — The Committee adopted the conclusions of a report by Mr. Luchaire on the cinematograph and intellectual life, and recommended the publication of an international catalogue of scientific films. The Committee also stated that it would welcome the meeting of an international cinematograph congress, the first item on whose programme would be the scientific, artistic and educational possibilities of the cinematograph. Finally, it recommended the organisation of an international exhibition of scientific and educational lantern slides and cinematograph films.

*Exchanges of Professors and Students.* — With the object of developing the exchanges of professors and students, the Committee decided, on a motion by Mr. Millikan, to form a special committee consisting of Mr. Lorentz (Chairman), Mr. Bergson, Professor Murray, Dr. Nitobe and Mr. Vernon Kellott, Permanent Secretary of the United States National Research Council. This Committee will enter into relations with all organisations dealing with exchanges, will assist them in their work, help to coordinate their activities, and afford them the necessary publicity.

*Protection of Professional Titles.* — The Committee considered that protection should be assured by a penal clause similar to that rendering the unauthorised wearing of decorations an offence, but that any suggestion for the international regulation of this question would be premature.

*Titles of International Associations and Institutions.* — With a view to assuring, to a certain extent, the protection of the titles of international associations and institutions of a social, scientific, literary or artistic character, the Committee decided, in conformity with the conclusions contained in a report by Mr. La Fontaine, to recommend to the Council that a register should be opened for such titles. Registration would have no legal, but a purely moral, value.

*An International List of Books.* — A proposal having been submitted by Dr. Hagberg Wright that a list of six hundred literary and scientific works should be compiled, selected from the most noteworthy and most important works published in all countries, the Committee instructed the Directing Board of the International University Information Office to enter into relations with the national committees on intellectual co-operation, or with any qualified authorities, with a view to the annual compilation for each country of a list of books to be recommended; the list would necessarily be very concise, but suitable space would be given to literary and scientific production. The lists will be published in the Office's Bulletin. They are more particularly intended to give information to librarians desirous of particulars as to foreign production. No one but the persons supplying the lists would be responsible for them.

*Index Bibliographicus.* — Mr. Godet made a statement on the progress of the work undertaken with a view to the publication of the Index Bibliographicus (list of current bibliographical institutions and publications). The index will appear some time in 1925.

*The International Institute of Bibliography.* — The Committee approved a draft Convention under which the League of Nations grants its patronage to the International Institute of Bibliography at Brussels. The Institute undertakes to concentrate its efforts and its resources primarily on certain tasks which are clearly specified and defined in the Convention. The Draft Convention will be submitted to the Council and the Assembly.

*Scheme for the foundation of an International Office on Intellectual Co-operation : The French Government's offer.* — During the session, the chairman read a letter from Mr. François Albert, French Minister of Education and Fine Arts, in response to the recent appeal to the public on behalf of international intellectual co-operation.

The letter emphasised the great importance of the work of the Committee on Intellectual Co-operation, not only for scientific, literary and artistic circles, but for the whole human race. It drew attention to the fact that hitherto the Committee had had to confine itself to suggestions, as it had not had at its disposal the means of completing the study of the individual schemes and of putting them into execution.

It was for these reasons that the Minister, on behalf of the French Government, and expressing the conviction that in this matter he voiced the views of the French people, stated his willingness to offer the Committee the material means of transforming its plans into definite action.

Mr. François Albert said that, in 1905, the Italian Government had offered to set up at Rome the International Institute of Agriculture, which, since that time, had been working under the authority of the representatives of the various countries. The French Government was desirous of setting up at Paris the International Institute of Intellectual Co-operation. Through the intermediary of the League of Nations it desired to offer the funds and premises necessary for the foundation and the working of this organisation.

The Minister added that the French Government would be very glad to prove in this definite and practical manner its deep attachment to the principles of the League and its fervent desire to contribute with and through the League to the peace of the world.

The Minister had therefore requested Mr. Bergson, as the French member of the Committee, to prepare, in collaboration with the Committee, a scheme for the organisation of an International Institute of Intellectual Co-operation to be the executive agent of the Committee. On the basis of this plan the French Government would draw up proposals which it would submit later to the Council of the League, and which would also require the assent of the French Parliament.

The Committee decided to send the French Minister of Education the following telegram :

"The International Committee on Intellectual Co-operation welcomes with deep gratitude the French Government's proposal which, if accepted by the Council of the League of Nations, will make it possible to carry out a methodical and practical scheme of intellectual co-operation between the nations. The Committee begs the French Minister of Education to accept its congratulations and thanks."

*Other questions.* — On the suggestion of Professor Gilbert Murray, the Committee decided to collect information with regard to the organisation of teaching in the various countries.

On the recommendation of the London Institute of Historical Research, the Committee decided to send questionnaires to the various countries with a view to preparing documentary information concerning archives, which information would be published in the Bulletin of the Institute.

The Committee adopted the proposals made by the Sub-Committee on Inter-University Relations in its April meeting, with regard to the standardisation of advanced studies and the equivalent recognition of certain University degrees (1).

Mr. Lugones laid before the Committee certain proposals with a view to bringing education more into harmony with the spirit of the League of Nations. The Committee decided to consider these proposals.

Lastly, the Committee took cognisance of a letter from M. Ciraolo, stating that the Italian Red Cross was putting at its disposal a sum of 100,000 lire for the relief of Russian intellectual workers. This offer was accepted with gratitude.

## VI. — Administrative Questions.

### 1. — THE SAAR

#### a) *Eighteenth periodical report of the Saar Basin Governing Commission.*

The eighteenth report of the Saar Basin Governing Commission which has been circulated by the Secretary-General to the Council and to the members of the League contains information on the political, social and economic situation in the Territory as well as on the administrative work of the Governing Commission during the period from April 1st to June 30th, 1924. The report is summarised below :

*Economic and social situation.* — According to the statistics contained in the report, production in the Territory has been maintained at a high level and unemployment is decreasing. Certain industries are distinctly prosperous and workmen have no difficulty in finding employment. The Commission has endeavoured as far as it lies in its power, to remedy certain difficulties of an economic nature resulting from recent fluctuations on the exchange market. These fluctuations have proved an obstacle to the sale of Saar products, chiefly those of the iron and glass industries, and have led to partial dismissals of staff and short strikes in certain firms. The strikes were confined to certain establishments and did not affect any single category of workers as a whole.

The increase of the cost price of goods, the high salaries, the coal-prices, the transport tariffs and the scarcity of credit are, in the opinion of representatives of trade and industry consulted by the Commission, the main causes of the rarity of orders.

In order to remedy these difficulties, the Commission, bearing in mind the wishes of the professional organisations of the Territory, has proceeded to a revision of railway tariffs and of the system of classification of goods, so that, in most cases, the cost of transport has been lowered. The Commission has also reduced by 15 % the rate of transport for coke and has authorised negotiations with railway companies of the adjacent districts with a view to facilitating the export of Saar industrial produce. Further, the Commission has reduced the stamp dues on bills of consignment. These measures entail for the Commission a loss of more than 8,000,000 francs a year.

The Commission has taken steps to obtain from the French Government and from the Administration of the Saar Minés that the coal prices should be reduced. The Mines Administration has consented to reduce from June 1st the price of coal for Saar consumption without resorting to a reduction of wages.

On this occasion the Mining Administration, with a view to rectifying certain press statements, gave detailed information with regard to its total profits. The

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(1) See *Monthly Summary*, Vol. IV, No. 5, p. 95.

yearly average of its net profits for 1920-23 is 64,495,933.86 francs (or 19,833,467.85 gold marks) which amounts to a profit per ton of 2.06 marks. If 400 million gold marks be taken as the amount of French capital invested in the Mines the profits realised are equivalent to a rate of interest of less than 5 %.

Since last February the Governing Commission has done all in its power to remedy the scarcity of credit, a factor which is nevertheless more prominent in Germany than in the Saar. The Real Estate Bank founded under the auspices of the Commission has during the past year granted loans to the amount of 18 million francs. Advances to artisans and farmers proved of considerable assistance in overcoming their various difficulties.

During the second half of June no bankruptcies were registered. Several new enterprises were founded.

The Commission concludes the part of its report dealing with the economic situation of the Territory by a statement to the effect that it has done all in its power to help the interested parties to overcome the various difficulties mentioned. The Commission recognises that the general instability of the European economic situation may produce a feeling of anxiety, but wishes, in the interest of the Territory, to take position with regard to premature and malicious reports on an economic crisis in the Saar at a moment when wages had not undergone a reduction and there were very few unemployed.

The statement that the system of the eight-hours day may be modified in the Saar Territory is likewise erroneous and the Commission know of no reason for any rumour of this kind. A law on working hours is, moreover, being prepared by the Commission. The competent departments are preparing a scheme for a Labour Chamber on the basis of information furnished by the International Labour Office.

*Political Situation.* — The report of the Commission states that, during the last three months, the Advisory Council and the Technical Committee were in constant session. Fifteen draft decrees amending laws in force were submitted.

One of these drafts aims at replacing the picketing decree of May 2nd, 1923. The new draft permits peaceful picketing, but prescribes measures to be taken to prevent abuse. These measures are based in most cases on those of the British legislation.

*Traffic.* — The special departments in charge of such matters addressed to the Inter-Allied Rhineland Commission and the military Occupation Authorities, various demands with a view to facilitating the circulation of Saar in habitants across the Rhine Provinces and the Palatinate.

During the three months covered by the report, entrance permits for the Saar Territory were delivered to over 33,000 German subjects, 1,500 of whom received permanent residence permits. The number of permits delivered to travellers of other nationalities is considerably lower.

The Governing Commission has agreed in principle to allow Dutch and British air navigation companies to fly over the Saar Territory, and to land at Saarbruck. With the co-operation of the City of Saarbruck and the Chamber of Commerce, a company has been formed for the construction of an air port.

*Finance.* — The general budget of the Territory for the fiscal year April 1st, 1924 - March 31st, 1925, shows the following figures :

	1924	1925
	frs	frs.
Ordinary Expenditure. . . . .	161,459,960	115,255,810
Extraordinary Expenditure. . . . .	3,192,000	10,839,000
Railway Deficit . . . . .	16,469,000	23,928,000
Postal Deficit. . . . .	1,500,187	5,339,945
TOTAL . . . . .	182,621,147	155,362,755

The revenues amount to frs. 182,621,147 as against frs. 155,362,755 in 1923. As a result of the introduction of the franc currency and new fiscal measures, the communes have, in 1924, for the first time been able to establish normal budgets.

The closed accounts for 1921 which have now been approved by the Commission show a surplus of frs. 13,758,443 and 192,899,880.98 marks.

*Enemy Debts.* — A provisional agrément was concluded with the German Government in June 1924 for the purpose of making arrangements for the settlement of pre-war debts between Saar inhabitants and nationals of Allied countries.

*Public Works.* — In this domain the report shows an improvement of the postal communications between the Saar and Germany. Special Telephone arrangements between the Saar and Switzerland and the Saar and Belgium have been made. Navigation statistics for the first three months of 1924, in spite of frequent high water, show an increase of the river traffic as compared with the same period of 1923. This increase was intensified during the following months.

*Education.* — The member of the Governing Commission in charge of the Education Department has thoroughly investigated certain complaints, especially those concerning the supposed "Frenchification" of the Saar schools.

The primary schools of the French State Mines were attended on May 15th, 1924, by 4,446 children of German nationality, 3,110 of whom were children of miners, as compared with a total of 112,000 children subject to compulsory attendance at the primary schools in the Territory.

In only one case have classes been suppressed in one of the schools of the Territory which are guaranteed by the Peace Treaty. The teachers were immediately provided with new posts.

The Member in charge of the Department of Education, while considering that the violence of the attacks against this Department is unjustified, has nevertheless done all in his power to enlighten public opinion with regard to the situation.

The Governing Commission, in the course of its budget debate, voted credits for an Art and Industrial Art School at Saarbruck, courses at which have already begun. A Saar Museum will be opened at Saarbruck.

*Trade, Industry, Labour, Social Insurance.* — The Department of Commerce has continued its study of the adaption of the Saar legislation to the conditions provided for by the Peace Treaty, arising out of the introduction, on January 10th, 1925, of the French Customs regime.

A special arrangement has been made with regard to the duty-free importation of German machinery, prior to Jan. 10th, 1925. The Saarbruck Chamber of Commerce considers that these special regulations are satisfactory.

The Statistical Office has published its second bulletin containing the population figures of the Saar Territory on January 1st, 1924. The Saar population is given as 749,797 as against 713,105 in April 1922, date of the general census.

The Department for Social Insurance has studied German laws and regulations promulgated during the last three months with a view to their possible application to the Saar Territory.

*Public Welfare and Social Hygiene.* — With regard to the Homburg Foundation, the budget of 1924 provides credits for the development of the Catholic professional training college, and for the foundation of a Protestant professional training college, of a nurslings' home, of an open air children's colony, and of homes for the maimed and for invalids, all of which will form part of the Homburg hospital. The Catholic professional training college had been enlarged and can receive 200 pupils. During the summer months large numbers of children were sent to holiday camps at the expense of the Public Assistance Bureau.

The usual maternity doles and subsidies for nurslings and tuberculous children were granted.

The Governing Commission submitted to the Technical Committee and the Advisory Council a draft decree with regard to the application in the Saar Territory of the new German legislation on the maintenance of war-disabled. The financial questions in connection with the introduction of the law were settled beforehand by correspondence with the German Government. The Technical Committee and the Advisory Council unanimously approved the introduction of the law. Pending the promulgation of the law the Governing Commission has decided to advance to war-disabled sums roughly equivalent to what they would receive under the law.

Special assistance to war-disabled entailed expenditure of almost 400,000 frs. in medical treatment, extraordinary monthly subsidies and in purchases of beds, clothing and linen.

The Employment Office for the badly disabled procured work for 56 persons.

*Agriculture.* — An association has been formed for the selection of seed-grains and the results obtained are satisfactory. The Chamber of Agriculture has been able to encourage horticulture and arboriculture. The stock breeders' associations are developing especially as regards home cattle breeding. Detailed regulations have been issued in this connection.

The eighteenth report of the Commission concludes with the following words :

" The second quarter of 1924 is mainly characterised, in the Saar Territory, not as has been stated, by an economic crisis, but by certain difficulties, the importance of which should not be exaggerated. The measures and steps taken in this connection by the Governing Commission shew with what careful attention the Commission has followed these difficulties from their very outset. It cannot be stated that they have already been surmounted; it is, however, to be hoped that the combined efforts to stabilise the European economic and political situation will, in a near future, re-act favourably on the situation in the Saar Territory."

#### b) *Local Gendarmerie and French troops.*

The Governing Commission of the Saar Territory has communicated to the Secretary-General its reply to a recent note of the German Government regarding the presence in the Territory of French troops and the development of the local gendarmerie.

In this communication the German Government requested the Council to fix the date when the organisation of the local police forces should be completed so as to allow of the withdrawal of the French troops.

The Governing Commission recalls that it has done all in its power to comply with the wishes of the Council with regard to the development of the local gendarmerie, but points out that it has to cope with certain practical difficulties. For these reasons, the Commission states that it cannot undertake to constitute by a fixed date a police corps strong enough to allow of the withdrawal of the French troops.

## 2. — FOURTH SESSION OF THE PERMANENT MANDATES COMMISSION (1)

The Permanent Mandates Commission held its fourth session in Geneva, from June 24th to July 8th, when, in the presence of accredited representatives of the Governments concerned, it examined a certain number of the annual reports of the Mandatory Powers.

The report on the French Cameroons and Togoland was examined in the presence of M. Duchene, Political Director of the French Colonial Office; the report

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(1) See *Monthly Summary*, Vol IV, No. 6, p. 118.

on Ruanda-Urundi in the presence of Mr. Halewyck, Director-General of Political and Administrative Affairs in the Belgian Colonial Office; the report on Western Samoa in the presence of Sir James Allen, High-Commissioner for New Zealand in London; the report on Tanganyika in the presence of Mr. Ormsby-Gore, representing the British Government; the report on South West Africa in the presence of Mr. Hofmeyr, Administrator of South West Africa and representative of the Union of South Africa.

When examining this last report, the Commission took the opportunity of expressing its gratitude to the South African Government for having sent as its representative the Administrator of the territory of South West Africa. The Commission laid stress on the advantage it would be both to the Commission itself and to the Mandatory Powers if the responsible administrators of the territories under mandate could from time to time themselves attend the meetings of the Commission and furnish all the detailed information desired.

M. Robert de Caix, representing the French Government, and Mr. Ormsby Gore, representing the British Government, made verbal statements, respectively, on the situation in Syria and Lebanon, and on the situation in Palestine. The Mandatories' report for 1923 on these territories, as well as the reports on the British Cameroons and Togoland, New Guinea, the Island of Nauru and the islands under Japanese mandate will be examined at the next session of the Commission, which will be held in October.

After examining various petitions, presented during the course of the year, the Commission took up several questions of general interest, relating to the equalisation of import duties on alcoholic liquors, to the frontier between the French and British Cameroons and between French and British Togoland, to military recruiting in the mandates territories, and to loans, advances and investment of private capital.

*Equalisation of import duties on alcoholic liquors in the mandated territories.* — A considerable obstacle to the control of the liquor traffic in the African mandated territories is the difference between the customs systems and monetary units in adjacent British and French mandated areas. The representatives of the British and French Governments have informed the Commission that they have entered into negotiations on the subject.

*Frontiers between the French and British Cameroons and French and British Togoland* — Last year the Commission had invited the French Government to make known its view regarding the frontier line separating the French and British Cameroons. M. Duchene, the French representative, has informed the Commission that his Government is prepared to enter into direct negotiations with the British Government on the advisability of making certain changes in the frontiers between the French and British Cameroons and French and British Togoland.

*Military Recruiting in Mandated Areas.* — The Commission, asked whether natives might be recruited for service in an armed force belonging to a neighbouring country, a detachment of which might be temporarily quartered in the mandated area, had decided last year that the spirit of the mandate would be violated if natives were enlisted for service in a military corps which was not permanently quartered in the territory and used solely for its defence or the maintenance of internal order, except as provided under Article 3, Paragraph 2 of the Mandates for the French Cameroons and Togoland. In this connection, the British Government has informed the Commission that it has decided not to maintain its right to recruit natives of a mandated territory who may present themselves for enlistment in His Majesty's Forces outside the boundaries of the mandated territory. The British Government has already sent instructions to this effect to the Governors of the territories adjacent to the British mandated areas in East and West Africa,

while at the same time declaring that this action in no way implies any change from the attitude taken up by its predecessors as to British sovereign rights in British territory or in British protected territory. The French representative present at the meeting of the Permanent Mandates Commission stated that his Government shared the views of the British Government with regard to the recruitment of natives of a mandated territory. The Commission noted with satisfaction the decision of the British Government and the statement of the French representative.

*Loans, advances and investment of private capital.* — Although all the Mandatory Powers have not as yet replied to the questions raised last year on the necessity of facilitating the issue of loans and of stimulating the investment of private capital in mandated areas in order to promote their development, the Commission once more drew the attention of the Council to the importance of the problem and the urgent necessity of reaching a solution.

The Commission also dealt with question of land tenure and education in mandated areas in Africa. It discussed the general question of traffic in spirituous liquors in these territories and drew the attention of the Council to the advisability of defining more closely the relevant clauses of the Covenant and the Convention of Saint-Germain.

## VII. — The Protection of Minorities.

### MOSLEMS OF ALBANIAN ORIGIN IN GREECE <sup>(1)</sup>

The Mixed Commission for the Exchange of Greek and Turkish Populations has addressed to the Secretary-General of the League copy of the report of the delegation sent to Epirus and Western Macedonia in order to investigate the criteria determining Albanian origin. This document is accompanied by a copy of instructions issued by the Commission on the basis of the report for the use of the sub-committees in charge of the evacuations from these districts of the persons subject to exchange.

This question first came before the Council at its session in December 1923, when it was approached by the Albanian Government with regard to the position of Albanian Moslems in Greece, which, the Government feared, might be included in the exchange. The Council drew the attention of the Mixed Commission to these circumstances and requested it to keep it informed of any action taken in this connection. The Commission, by its decision of March 14th, which it communicated to the Council, decided to exempt from exchange Greek nationals of Moslem faith and Albanian origin settled in Epirus. It further decided to entrust to a delegation composed of Mr. Ekstrand, Hamdi Bey and Mr. Metaxas the duty of establishing on the spot the factors determining Albanian origin.

The delegation, in its report, states that it procured evidence from various groups of persons convened either by the Hellenic authorities or by the Muftis or Mouhtars of the villages, and took particular pains to convene individuals designated by the Albanian representative in Athens. The delegation is of the unanimous opinion that all the persons who came before it came of their own free will, and expressed their opinions without pressure from any source whatsoever.

The delegation considers that the minutes of its meetings, which have also been communicated to the League, make it quite clear that the vast majority of Moslem Greek subjects inhabiting Epirus and Macedonia state without hesitation

(1) See *Monthly Summary*, Vol. III, Nos. 9, 11, and 12, p. 211, 277 and 308.



that they are of Turkish origin and consequently desire to be included in the exchange. Only very limited minorities in various localities claim Albanian origin and desire to be exempted from compulsory exchange.

The delegation is of opinion that the special body entrusted by the Commission with the application of the decision to exempt from exchange Moslems of Albanian origin will have to examine each case individually, taking into consideration various factors, and base its conclusions on instructions which it will receive from the Commission. In this connection the delegation is of opinion that the categorical desire expressed by a part of the population to be included in the exchange should not be disregarded. The privilege of exclusion, the delegation considers, should be sparingly accorded, only to persons of Albanian origin and wishing to be considered as such.

On the basis of the report of its delegation the Commission issued instructions to the competent sub-committees to base their decisions on 1) place of origin, 2) language, and 3) national consciousness.

The sub-committee will transmit to the local authorities lists of persons exempted from exchange.

## VIII. — Social and Humanitarian Questions.

### 1. — THE OPIUM TRAFFIC

#### *Fourth Session of the Preparatory Committee for the General Conferences.*

The Special Committee appointed by the Council of the League to prepare the programme for the General Opium Conferences for next November <sup>(1)</sup> held its fourth, and final, session at Geneva from July 12th to 15th. Mr. van Wettum (Dutch) was in the chair, and M. Bourgois (French), Sir Malcolm Delevingne (British) and M. Brenier (Assessor on the Opium Advisory Committee) were also present. Mr. Neville (United States) and Sir John Jordan (Assessor on the Opium Advisory Committee) did not attend the session.

The principal question before the Committee was the preparation of draft agreements on the limitation to medical and scientific needs of the manufacture of morphine, heroin and cocaine and of the production of opium and coca leaves for export. The Committee discussed the proposals brought forward by M. Bourgois and M. Brenier concerning the indirect limitation of manufactured narcotics by means of more efficient measures of control. Three separate schemes for direct restriction of production and manufacture, prepared by Mr. van Wettum, Sir Malcolm Delevingne and Mr. Neville had already been examined by the Committee at former meetings. A summary Report was finally drawn up, formulating the points of view of the members and presenting their proposals, in most cases in the form of draft conventions. An outline of the principal arguments for or against the provisions proposed was also given.

Three tendencies of opinion are apparent in the proposals presented in this Report. The British and American plans aim at a definite agreement among manufacturing and producing states by which these would restrict themselves to an output of manufactured narcotics based on Government estimates of medical needs, the American plan being in favour of restricting the production and importation of raw opium and coca leaves. The Dutch scheme upholds the indirect limitation of manufacture by means of gradual decrease in the production of the raw material. M. Bourgois and M. Brenier's schemes provide for the application

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(1) See *Monthly Summary*, Vol. IV, No. 5, p. 83

of more effective measures of national and international control, on the assumption that this in itself would bring about a restriction in the output of the manufactured drugs.

The Report of the Preparatory Committee has been sent to all States invited to the Conference on the limitation of manufactured narcotics, that is to say, to all signatories to the 1912 Opium Convention, all Members of the League and all producing or manufacturing States. The Report will form the basis for the discussions at the Conference.

## 2. — MEETING OF THE TEMPORARY COMMITTEE ON SLAVERY

The Temporary Committee on Slavery held its first session from July 9th to 12th at Geneva. The following members were present :

Mr. Dantes Bellegarde (Haiti), Mr. Delafosse (France), Mr. Freire d'Andrade (Portugal), Mr. Gohr (Belgium), Mr. Grimshaw (International Labour Organisation), Sir Frederick Lugard (Great Britain), Mr. Van Rees (Netherlands) and Commander Roncagli (Italy).

On the proposal of Mr. Delafosse, Mr. Gohr was unanimously elected Chairman of the Committee, Sir Frederick Lugard and Mr. Delafosse having declined to take office. Mr. Freire d'Andrade was elected Vice-Chairman.

The Temporary Committee is composed of experts in colonial matters and was appointed by the Council in order to give effect to a resolution of the Fourth Assembly, which, on the grounds that the information hitherto obtained on the subject of slavery was not sufficient to form the basis of a complete report, had invited the Council to entrust to a competent body all further investigation of the question.

At its first session the Committee drew up its plan of work and established a classification of the various forms of slavery. The plan of work, which sets forth the points which, the Committee considers, should be the main object of its investigation, will be submitted to the Council.

For the purposes of its investigation, the Committee proposes to use the following sources : Official information furnished by Governments in reply to the questionnaires sent out by the Secretariat in 1922 and 1923 on the instructions of the Council; and, in accordance with the suggestion of the Fourth Assembly, information given by individuals of recognised competence and reliability.

## IX. — Forthcoming Events.

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|------------------|--|
| August 15th :    | Meeting of the Financial Committee for a special inquiry into Austrian reconstruction, Vienna. |
| August 26th :    | Thirteenth session of the Economic Committee, Geneva.  |
| August 29th :    | Thirtieth session of the Council, Geneva.  |
| September 1st :  | Fifth Assembly of the League of Nations, Geneva.   |
| September 16th : | Meeting of the Supervisory Commission, Geneva.   |
| September 29th : | Third session of the Health Committee, Geneva.   |

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THE  
MONTHLY SUMMARY  
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LEAGUE OF NATIONS

AUGUST 1924

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Vol. IV. No. 8

Published on September 15<sup>th</sup>.

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# MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

AUGUST 1924

Vol. IV. No. 8.

Published on September 15th.

## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month</i> . . . .	149	a) The Financial Recons- truction of Austria . . . .	155
II. <i>The Permanent Court of Inter- national Justice</i> . . . . .	150	b) The Financial Recons- truction of Hungary. . . .	156
Fifth Session . . . . .	150	V. <i>Administrative Questions</i> . . . .	157
III. <i>General Questions</i> . . . . .	150	Danzig . . . . .	157
1. Visit of the Crown Prince of Ethiopia to the Secreta- riat of the League . . . .	150	VI. <i>Political Questions</i> . . . . .	157
2. International Agreements . . . .	151	The Frontier of Iraq . . . . .	157
a) Registration of Treaties . . . .	151	VII. <i>Social and Humanitarian Ques- tions</i> . . . . .	158
b) Amendments to the Co- venant. . . . .	151	Sixth Session of the Advisory Committee on Traffic in Opium and other Dangerous Drugs. . . .	158
3. International Arrangements for Legal Assistance to the Poor. . . . .	152	VIII. <i>Publications of the League of Nations</i> . . . . .	160
4. The Treaty of Lausanne and the League of Nations . . . .	152	1. The Balance of International Payments and of Internatio- nal Trade. . . . .	160
IV. <i>Technical Organisations</i> . . . .	155	2. The Monthly Bulletin of Statistics. . . . .	161
The Economic and Financial Organisation . . . . .	155	IX. <i>Forthcoming Events</i> . . . . .	161

An Index for Volume III. (1923) of the *Monthly Summary* of the League of Nations is contained in this number

Communications concerning the *Monthly Summary* should be addressed  
to the Information Section, League of Nations, Geneva.

### I. — Summary of the Month.

The principal events in August were a plenary session of the Advisory Committee on Traffic in Opium and a meeting of experts on international arrangements for legal assistance to the poor at the beginning of the month, and, towards the end of the month, meetings of the Council, the Economic Committee, and the Permanent Advisory Committee for Military, Naval and Air Questions. The Permanent Court of International Justice continued in session.

The Advisory Committee on Traffic in Opium, which met at Geneva, considered the reports of the Preparatory Committee for the International Opium Conferences to be held in November and discussed a certain number of questions bearing in the drug consumption in the Far East.

Normal progress was made in the reconstruction work in Hungary and Austria. A delegation of the League Financial Committee arrived in Vienna during the last days of August for the purpose of conducting an inquiry bearing on the future development of the reconstruction work.

The Permanent Court of International Justice gave judgment on the objection raised by the British Government to the jurisdiction of the Court in the Mavromatis case.



A considerable number of treaties were deposited for registration during the month, and, as a result of ratification by the Brazilian Government, an amendment to Article VI, of the Covenant, having received the necessary number of ratifications, came into force.

The Committee on International Arrangements for Legal Assistance to the Poor examined the existing situation with regard to assistance by litigation or advice and drew up a report on the subject for the Secretary-General.

The Crown Prince of Ethiopia visited the Secretariat on August 8th.

Reports on the proceedings of the Council, the Permanent Advisory Committee and the Economic Committee will be contained in the next number.

## II. — The Permanent Court of International Justice.

### FIFTH SESSION

*The Mavromatis Case* <sup>(1)</sup>. — *Verdict of the Court.* — In a public hearing on August 30th the Permanent Court of International Justice delivered judgment on the objection presented by the British Government to the jurisdiction of the Court in the Mavromatis case.

The Greek Government had abandoned part of its original claim relating to the irrigation works in the Jordan Valley and asked for judgment in respect of two groups of concessions only concerning the cities of Jerusalem and Jaffa. Work had already begun on the Jerusalem concessions; the Jaffa concessions had not been confirmed, as required by Turkish law, by an Imperial decree.

Having established the main facts of the case, the Court entered into the legal aspect of the question. Basing its judgment on Articles 11 and 26 of the Palestine Mandate and on Protocol XII, of the Treaty of Lausanne, the Court upheld the preliminary objection submitted by the British Government in so far as it related to the claim regarding the Jaffa concessions and dismissed it with regard to the Jerusalem claim.

The Court reserved the latter part of the suit for judgment on its merits.

Five of the twelve Judges composing the Court declared that they did not share the view of the majority and submitted written statements of their opinions.

## III. — General Questions.

### 1. — VISIT OF THE CROWN PRINCE OF ETHIOPIA TO THE SECRETARIAT OF THE LEAGUE

On August 8th the Crown Prince of Ethiopia, Ras Tafari, paid a visit to the Secretariat of the League. He was received by the Deputy Secretary-General, who, in his welcoming speech, expressed his appreciation of the honour done the Secretariat by the royal visit, which, he said, was a proof of Ethiopia's attachment to the principles of the League.

The Crown Prince replied by a short speech, expressing his warmest hopes for the prosperity of the League.

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(1) See *Monthly Summary*, Vol. IV, Nos 5 and 7, p. 86 and 126.

## 2. — INTERNATIONAL AGREEMENTS

### a) *Registration of Treaties.*

During July and August a considerable number of treaties and international agreements were deposited for registration with the League Secretariat.

The German Government presented for registration a series of thirty-one treaties and international agreements concluded with Austria, Czechoslovakia, Denmark, France, Iceland, Poland, Portugal, Russia, Spain, Switzerland and the United States. These agreements concern commercial and financial questions, such as mortgages in gold value (Germany and Switzerland), double taxation (Germany and Austria), protection of trade marks (Germany and Iceland, Germany and Greece), commercial relations (Germany and Portugal, Germany and Spain); questions relating to international waterways (the Danube, the Elbe and the Rhine); points in connection with the Germano-Polish convention on Upper Silesia and legal questions concerning the East Prussian territories ceded to Poland; questions relating to the administration of justice (Germany and Czechoslovakia).

The British Government presented for registration a convention on liquor traffic concluded with the United States and an exchange of notes with Switzerland concerning the extension to Lichtenstein of the commercial agreements in force between Great Britain and Switzerland.

The Saar Basin Governing Commission presented for registration exchanges of notes with France and Germany on the subject of extradition, double taxation, the maintenance of war-disabled, the construction of custom house stations, social insurance, etc.

The Government of Ecuador presented for registration a Protocol concerning the frontier dispute between Ecuador and Peru, which has lasted for almost a hundred years. The Protocol consists partly of direct agreements between the parties, partly of arbitration conventions according to which Ecuador and Peru agree to send delegates to Washington to negotiate the questions at issue. The President of the United States is designated as arbitrator for questions on which the parties may not be able to reach agreement.

The Latvian Government deposited for registration an extradition treaty with the United States concluded at Riga. The Greek Government deposited a Graeco-Serbian Convention concerning transit traffic *via* Salonica, and the Government of the Irish Free State presented the Anglo-Irish Treaty of December 6th, 1921, relating to the constitution of the Irish Free State.

The Italian and Czechoslovak Governments presented for registration the Pact of Friendship signed by the two Governments at Rome on July 5th, 1924.

The Bulgarian Government presented for registration three Conventions concluded with the Serb-Croat-Slovene Kingdom on the administration of justice, extradition and free medical assistance for the poor.

### b) *Amendments to the Covenant.*

The British Government has deposited at the League Secretariat the instrument of ratification of the Protocols relating to the amendments to Article XVI, of the Covenant (Economic Blockade). This ratification is effected on behalf of the British Empire, including the Dominion of Canada, the Commonwealth of Australia, the South African Union, New Zealand and India. In the instrument of ratification it is stated that the ratification shall not be deemed to apply to the Irish Free State.

The Brazilian Government has deposited the instrument of ratification of the amendments to the last paragraph of Article VI. (Allocation of the Expenses of the League) and to Article XXVI. (Ratification of Amendments to the Covenant).

As a result of the Brazilian ratification of the amendment to Article VI., this Article, which has now been ratified by all Members of the Council and by the majority of the Members of the Assembly, came into force on August 13th, 1924.

### 3. — INTERNATIONAL ARRANGEMENTS FOR LEGAL ASSISTANCE TO THE POOR

The Committee of Experts for the investigation of the question of international arrangements for legal assistance for the poor met at Geneva from July 30th to August 2nd (1).

The Committee examined the existing situation as regards at the assistance of the poor in actual litigation (poor persons procedure), which is provided for as part of the regular administration of justice and b) assistance by means of advice, apart from litigation, provided by special private or public organisations independent of the courts.

A series of recommendations was formulated and will be included in the report which the Secretary-General will submit to the Assembly on the subject.

### 4. — THE TREATY OF LAUSANNE AND THE LEAGUE OF NATIONS

The British, Italian and Japanese Governments have deposited in Paris the instruments of ratification of the Treaty of Lausanne. The Turkish Government took similar action last April. Under the terms of Article 143 of the Treaty, which makes its entry in force subject to its ratification by Turkey and any three of the Allied Powers, the Treaty of Peace with Turkey is now in force.

The Treaty of Lausanne assigns to the League of Nations duties in the political, legal, military, economic, financial and sanitary fields and in connection with transit and communication questions. These duties are extremely varied, ranging from the selection of experts or arbitrators to the intervention of the Council or other League organisations in matters concerning the maintenance of peace, the protection of minorities and the organisation of the port of Dedeagatch.

#### I. IMMEDIATE RESULTS OF THE TREATY

1. *Adhesion of Turkey to international conventions drawn up by the League or conventions whose application is controlled by the League.* By Articles 100-104 of the Treaty, Turkey undertakes, as soon as the Treaty has come into force, to adhere to, or ratify the following conventions or agreements.

The Barcelona Conventions (1921) and recommendations respecting ports and railways; The Hague Opium Convention (1912) and additional Protocol (1914); the Convention of May 18th, 1904, of May 4th, 1910, and of September 30th, 1921 regarding the suppression of the traffic in women and children; the Agreement of May 4th, 1910 regarding the suppression of obscene publications.

Turkey further undertakes to take part in the elaboration of new international conventions relating to telegraphy and radio-telegraphy.

2. *Administration of Justice.* — The Declaration relating to the Administration of Justice, which is annexed to the Treaty, provides for the preparation by the Permanent Court of International Justice of a list of European jurists, from which the Turkish Government will select a number of legal advisers. Steps were taken to execute this clause before the Treaty came into force (2).

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(1) See *Monthly Summary*, Vol. IV, No. 7, p. 130.

(2) See *Monthly Summary*, Vol. III, No. 11, p. 268.

3. *Health administration.* — Under the Declaration relating to Sanitary Matters, annexed to the Treaty, the League Health Committee, in agreement with the Office International d'Hygiène Publique, has to prepare a list of six medical authorities, from which the Turkish Government will select three European medical specialists as counsellors to be attached to the Turkish Health Ministry. With the help of these counsellors, the Ministry will draw up regulations for the organisation of the coastal and frontier sanitary service.

This question has already been the object of a preliminary examination on the part of the League Health Committee.

4. *Frontier Traffic.* — Under Article 107 of the Treaty the Council of the League has to select a Commissioner to supervise the execution of the provisions of this article with regard to the transit traffic between the Graeco-Bulgarian and Graeco-Turkish frontiers. The Council, in agreement with the interested parties, proceeded to this appointment in September, 1923.

5. *Exchange of populations.* — Article 11 of the Convention concerning the exchange of Greek and Turkish populations stipulates that the Council of the League shall appoint three members of a Mixed Commission to supervise the emigration provided for in the Convention. These appointments were made in September, 1923, at the request of the two interested parties which had already ratified the Convention <sup>(1)</sup>.

6. *Port of Dedeagatch.* — Articles 5 to 16 of the Treaty relating to Thrace, which was signed at Sèvres on August 10th, 1920, and which, in accordance with a protocol annexed to the Treaty of Lausanne, comes into force at the same time as the Treaty of Lausanne, provides for the League's cooperation in determining the length of a lease granted to Bulgaria of a zone in the port of Dedeagatch, in delimiting the zone and in fixing in general all the conditions of its utilisation. Differences which may arise with regard to the interpretation or application of the provisions of Articles 4 to 14 are to be settled in accordance with conditions laid down by the League. The Council, if Bulgaria so requests, will appoint an International Commission of five members (France, Great Britain, Italy, Greece and Bulgaria) to supervise, so far as Dedeagatch and the access thereto is concerned, the execution of the regime prescribed in the Treaty; appeal against the decisions of the Commission may be made to the competent authority of the League.

## II. ACTION OF A PERMANENT CHARACTER

1. Articles 37 to 44 of the Treaty contain provisions concerning the protection of minorities in Turkey.

2. Articles 8 to 16 of the Treaty concluded at Sevres on August 10th, 1920, which, according to a protocol appended to the Lausanne Treaty, comes into force at the same time as the latter treaty, contains provisions concerning the protection of Minorities in Greece.

3. Article 15 of the Convention relating to the Straits lays down that the Straits Commission shall carry out its functions under the auspices of the League of Nations, to which it will make an annual report.

4. Reports on the work of the Pilgrimage Co-ordination Commission for Jerusalem and the Hedjaz will be addressed to the Health Committee of the League. The Commission will give its opinion on every question put to it by the League of Nations.

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(1) See *Monthly Summary*, Vol. III, No. 9, p. 205.

### III. EVENTUAL ACTION

#### A. — POLITICAL CLAUSES.

1. *Territorial Clauses.* — Article 3 of the Treaty stipulates that, in the event of no agreement being reached between Turkey and Great Britain within nine months, the question of the frontier between Turkey and Iraq in the district of Mosul shall be referred to the Council of the League.

2. *Maintenance of Peace.* — By Article 18 of the Straits Convention the Council of the League is empowered to decide what action should be taken in the case of the violation by act or threat of war of the provisions relating to freedom of passage in the Straits.

Article 4 of the Convention on the Thracian Frontier lays down that complaints of the border Powers regarding the delimitation of the Thracian Zones shall be brought before the Council of the League.

3. *Amnesty.* — The League, if necessary, will appoint an arbitrator to the Commission for the investigation of amnesty questions (Article VI of the Declaration of Amnesty).

4. *Protection of Minorities.* — In the case of a difference between the Turkish Government and the minorities, regarding the family law or personal status of the latter, the Council of the League, in agreement with the Turkish Government, may appoint an arbitrator.

#### B. — ECONOMIC AND FINANCIAL QUESTIONS, COMMUNICATIONS AND TRANSIT.

Article 47 of the Treaty provides for the appointment by the League Council of an arbitrator for any disputes between the Council of the Ottoman Public Debt and the States which have succeeded the Ottoman Empire. Article 49 provides for the reference to the arbitrator of all questions on which the especially appointed Commission for the distribution of the nominal capital of the Debt cannot reach agreement.

Article 48 provides for an eventual appeal to the League with regard to the securities for the debt and for the League's assistance in collecting the assigned revenues.

Article 92 provides for the appointment by the League of a member of the Mixed Arbitral Tribunal.

Under Article 107, the Council of the League may decide by a majority vote questions relating to the transit traffic between the Graeco-Bulgarian and Graeco-Turkish frontiers which the League Commissioner (see above) has been unable to settle. The Council also fixes the length of the period of control.

#### C. — SANITARY QUESTIONS.

Article 116 of the Treaty lays down that, in the event of disagreement between the members of the Commission for the liquidation of the former Superior Council of Health at Constantinople, the matter may be referred to the Council of the League, whose decision is final.

## IV. — Technical Organisations.

### THE ECONOMIC AND FINANCIAL ORGANISATION

#### a) *The Financial Reconstruction of Austria.*

During the last days of August a delegation of the League Financial Committee, composed of Mr. Ter Meulen (Chairman), Mr. Dubois, Mr. Mazuchelli (substitute for Mr. Bianchini), Mr. Parmentier, Mr. Pospisil and Sir O. Niemeyer, arrived in Vienna for the purpose of proceeding, in agreement with the Commissioner-General, to an investigation bearing on the future development of the reconstruction work.

This inquiry, the main object of which is to reach a decision on certain amendments proposed to the original reform scheme, was authorised by the Council in its June session, at the request of the Austrian Government.

*Reduction of Number of Officials.* — By August 16th the number of officials dismissed since October 1st, 1922 had risen to 69,649, a total exceeding by 797 the figure reached in July.

*Budget.* — The budget estimates for August shew the following figures :

	Milliards (paper)	Millions (gold)
Expenditure. . . . .	760.4	52.7
Revenues . . . . .	680.7	47.2
Deficit . . . . .	79.7	5.5

These figures are not in accordance with the League reconstruction scheme, which provided for a surplus during the fourth half-year of the reform period (July 1st-December 31st, 1924). It should, however, be noted that in the August budget 65 milliard paper crowns (4.5 million gold crowns) are set aside for the electrification of the railways. On the other hand, expenditure, due to an increase of salaries voted by the Austrian Parliament in June to take effect from May 1st, has not been included in the August budget.

*Assigned Revenues.* — The gross yield of the Customs and of the Tobacco Monopoly in July was 328 milliard paper crowns (226 milliards from the Tobacco Monopoly, 102 milliards from the Customs) or 22.7 million gold crowns.

*General situation.* — The number of unemployed rose from 63,083 in July to 65,282 in August (41,542 in Vienna and suburbs).

The bank and savings bank deposits rose from 85 million gold crowns at the beginning of July to 97 millions at the beginning of August. From January 1923 to July 1st, 1924, the deposits have increased as follows :

Vienna banks . . . . .	661.6 %
Savings Banks . . . . .	979.3
Savings Banks in provincial capitals . . . . .	983.4

The cost of living index in July was 6 % higher than that of June.

The balance sheet of August 23rd of the Austrian National Bank shews note circulation of 7290 paper crowns (506 million gold crowns) with cover of 44.6 % in gold reserve and foreign currencies. If current accounts of 1406 milliards (paper), or 97.6 millions (gold) be added to the effective circulation, it will be seen that total

commitments of 9.696 milliards (paper), or 603.5 millions (gold) have cover of 37.5 %.

According to statistics for the second quarter of 1924, which have recently been published by the Department of Statistics, the exports during this period attained the figure of 295.7 million gold crowns. The imports during the same period reached a total of 544.960 millions. The figures for the corresponding period of 1923 were 233,229 million gold crowns (exports) and 382,323 millions (imports).

#### b) *The Financial Reconstruction of Hungary.*

The progress of the Hungarian reconstruction work during the month shows a steady return of confidence which has been brought about by the floating of the Reconstruction Loan, all the blocks of which have now been satisfactorily disposed of, and by the stabilisation of the currency.

*National Bank.* — The weekly balance sheets of the National Bank, to which Mr. H. A. Siepmann (London) has been appointed Adviser, show the following main features. Over 90% of the share capital has been paid up, advances to the Treasury have shown a slight decrease, and deposits and current accounts have risen appreciably. The metal reserve shows an increase of more than 50% since the beginning and there has been a steady rise in the percentage of cover, which at present stands at about 60%, 20 being the percentage required by the Statutes. The Bank is now in a position to use credit resources, and will presently be employing them to finance the crop movements which play so important a part in Hungary's economic life.

*Pledged revenues.* — The fact that the June returns from the four sources of revenue : — customs, tobacco-monopoly, sugar tax and salt monopoly, were largely in excess of the estimates prepared by the Financial Committee was accounted for by the inclusion in the customs receipts of certain payments for previous months. The total returns for July, however, are well over the monthly average contemplated by the reconstruction programme for the second half of the current year. During the first fortnight of August receipts have come in at a higher rate than in June.

*Budget.* — During the long period of unstable currency and inflation there were insuperable obstacles in the way of the preparation of budgets and the furnishing of closed accounts, and one of the League scheme's chief aims is the re-establishment of a sound budgetary routine. Serious efforts have been made by the Hungarian Ministry of Finance to put the required machinery in action, and a preliminary budget for the month of August was duly received before the end of July. Arrangements have now been made for departmental budgets to be submitted by the various administrative branches to the Ministry of Finance by the 15th of each month, and for a complete preliminary budget to reach the Commissioner-General by the 20th, on which same date a provisional closed account will be supplied, to be followed as soon as possible by a definitive closed account. Together with the new procedure by which all Treasury receipts are paid into, and all expenditure disbursed out of, the National Bank, these arrangements will make it possible to keep in close and permanent touch with the Treasury position.

The experience of past years as to the relative monthly rate of revenue returns gives reasonable ground for confidence that the difference between receipts and expenditure during the second half of 1924 will not overstep the limits laid down in the reconstruction plan.

*General situation.* — The progress made in the execution of the plan for the financial restoration of Hungary has its counterpart in an economic improvement

# INDEX

(Volume III. — 1923.)

ADMISSIONS TO LEAGUE.		
Irish Free State . . . . .	74,	196
-Ethiopian Empire . . . . .	167,	196
AIRCRAFT, Nationality and Re-		
gistration Marks . . . . .		76
ALBANIA . . . . .	24, 85, 154, 203,	
	209,	296
Reports of Financial Adviser.	174,	296
ALLOCATION OF EXPENSES .		
	102, 226, 246,	293
APPOINTMENTS. . . . .	11, 77, 192,	
	204, 245,	293
ARMAMENTS . . . . .	4, 51, 74, 100,	243
Sessions of Temporary Mixed		
Commission. 5 (No. 2), 120,		167
Treaty of Mutual Assistance. .		
5 (No. 2), 101, 121, 143, 167,		
	193, 236, 245,	291
Resolutions of Fourth Assem-		
bly. . . . .		224
ARMENIA . . . . .		25
(See also <i>Refugees</i> ).		
ASSEMBLY.		
Fourth Assembly . . . . .		187
Convocation. . . . .		99
Procedure. . . . .		210
Resolutions . . . . .		224
AUSTRIA (Financial Reconstruc-		
tion of) . . . . .	9, 3 (No. 2),	
Special Supplement March. 46,		
71, 94, 118, 141, 162, 202, 230,		
	250,	272
AUSTRIA AND HUNGARY, Obliga-		
tory Arbitration between . . .		145
BIOLOGICAL REMEDIES (Confe-		
rence on Standardisation of)		
(See <i>Health Organisation</i> ).		
BRUSSELS FINANCIAL CONFE-		
RENCE, Application of Re-		
commandations (See <i>Financial</i>		
and <i>Economic Organisation</i> ).		
BUDGET AND FINANCES OF		
THE LEAGUE . . . . .	199,	270
BULGARIA.		
Incursions of Marauding Bands.		132
Inhabitants of Western Thrace		
(See <i>Refugees</i> ).		
Military Clauses in Treaties. .		87
CARELIA, EASTERN. . . . .	22, 88,	
	115, 216,	233
CHILD WELFARE (Request of		
International Association for the		
Promotion of) . . . . .		76
COMMUNICATIONS AND TRAN-		
SIT . . . . .	11, 16, 55, 204, 230,	270
Sessions of Advisory Commit-		
tee . . . . .	78,	177
Second General Conference. .		
	205, 270,	297
International Railway Confe-		
rence at Berne. . . . .		100
Conference Hall, erection of .		227
COUNCIL (Meetings of) (See <i>Sum-</i>		
<i>maries of the Month</i> .) Nos. 2, 4,		
	7, 9,	12
Election of non-permanent		
Members of . . . . .	195,	225
COURT OF INTERNATIONAL		
JUSTICE, PERMANENT . . . . .	97,	163
Election of a Successor to		
M. Ruy Barboza . . . . .	75, 98,	
	115, 166,	192
Jaworzyna Question. 243, 266,		290
Legal Advisers to Turkish Go-		
vernment . . . . .		268
Ratification of Protocol of Si-		
gnature and Optional Clause.		98
Nationality Decrees in Tunis		
and Morocco . . . . .	3, 8,	115
ss. Wimbledon.		
COVENANT.		
Amendments. . . . .	8, 76, 102,	
	122, 225, 246, 269,	292
Article X . . . . .		9
Article XII . . . . .		225
CUSTOMS FORMALITIES CONFE-		
RENCE (See <i>Economic and Fi-</i>		
<i>nanacial Organisation</i> ).		
CZECHOSLOVAKIA.		
Frontiers . . . . .	14, 21, 60, 88,	
	215, 266, 290,	309
DANZIG . . . . .	12, 18, 58, 79,	
	106, 149, 178, 206, 277,	305
Depot for Polish War Material.		305
New Currency . . . . .		206
DEPORTED WOMEN AND		
CHILDREN . . . . .		26
DOUBLE TAXATION AND FIS-		
CAL EVASION (See <i>Economic</i>		
and <i>Financial Organisation</i> ).		
ECONOMIC AND FINANCIAL		
ORGANISATION. . . . .	7, 14, 14	
(No. 2), 53, 77, 104, 127, 147,		
	174, 201, 229, 247, 272,	-293
Economic Committee . . . . .	7, 14	
	(No. 2), 53,	104
Financial Committee . . . . .		274



Arbitration Clauses in Commercial Contracts . . . . .	276
Bills of Exchange, Unification of Legislation on. . . . .	149
Brussels Financial Conference, Application of Recommendations (No. 2). . . . .	14
Customs Formalities Conference . . . . .	204, 247, 275, 296
ECONOMIC AND FINANCIAL ORGANISATION (Cont.).	
Double Taxation and Fiscal Evasion . . . . .	53, 127, 252
European Finance . . . . .	253
Greek Refugee Settlement Scheme (See <i>Refugees</i> ).	
Russia (Economic Conditions in) . . . . .	14
Statistics, Committee of Experts on . . . . .	8, 128
Unemployment . . . . .	148
Unfair Competition . . . . .	275
EPIDEMIC COMMISSION (See <i>Health Organisation</i> ).	
EPIDEMIC INTELLIGENCE (See <i>Health Organisation</i> ).	
ESTHONIA (See <i>Minorities</i> ).	
EXCHANGE OF GREEK AND TURKISH POPULATIONS	221, 277
EXPROPRIATION OF HUNGARIAN PROPERTY IN ROUMANIA . . . . .	84, 107, 155
FINANCIAL QUESTIONS . . . . .	145, 226
GREEK REFUGEE SETTLEMENT SCHEME (See <i>Refugees</i> )	
HEALTH ORGANISATION . . . . .	9, 11, 52, 77, 103, 124, 173, 200, 228, 254, 293
Anti-epidemic Measures in Near Eastern Ports . . . . .	174
Epidemic Commission . . . . .	12, 174
Epidemiological Intelligence . . . . .	52, 147
Interchange of Public Health Personnel . . . . .	12, 103, 126, 254
Sera and Serological Tests, Standardisation of . . . . .	53
Vital Statisticians, Conference. . . . .	255
HUNGARY, RECONSTRUCTION OF . . . . .	203, 293
Frontiers . . . . .	14, 21, 60, 88
INTELLECTUAL CO-OPERATION. . . . .	16 (No 2), 57, 175, 205, 231, 256, 276, 301
INTERNATIONAL ADMINISTRATION . . . . .	18, 79
INTERNATIONAL BUREAUX . . . . .	10, 103, 145, 280
INTERNATIONAL COMMITTEE OF AGRICULTURE (Request of) . . . . .	(No.2), 10
INTERCHANGE OF PUBLIC HEALTH PERSONNEL (See <i>Health Organisation</i> ).	
ITALO-GREEK DISPUTE. . . . .	212, 245

JAWORZYNA QUESTION (The). . . . .	215, 243, 266, 290, 309
LATIN-AMERICAN OFFICE. . . . .	7, 227
LATVIA (See <i>Minorities</i> )	
LEAGUE IN 1923 . . . . .	286
LEGAL ADVISERS TO TURKISH GOVERNMENT (See <i>Court</i> ).	
LEGAL JUSTICE TO THE POOR (Internatioanl Arrangements for). . . . .	223, 235
LITHUANIA (See <i>Minorities and Poland and Lithuania</i> ).	
LITHUANIAN GOVERNMENT (Request from) . . . . .	216, 230
MANDATES . . . . .	19 (No. 2), 82, 107, 131, 179, 207, 232, 277, 306
MEMEL . . . . .	259, 308
MINORITIES (Protection of).	
German Minority in Poland. . . . .	20 (No. 2), 49, 83, 154, 164, 190, 210, 307
Jewish Minorities in Hungary. (No. 2), . . . . .	21
Mussulmans of Albanian Race in Greece . . . . .	308
Minorities in Albania . . . . .	154, 209
Minorities in Latvia. . . . .	21
(No 2), 84, 154, 209	
Minorities in Lithuania . . . . .	154, 209, 307
Minorities in Esthonia . . . . .	21
(No. 2), 154, 209	
Interpretation of Article 4 of Polish Minorities Treaty . . . . .	192
Questions of Procedure . . . . .	210
Resolution of Assembly . . . . .	232
MIXED ARBITRAL TRIBUNALS. . . . .	24 (No. 2), 89
MOSUL QUESTION. . . . .	13 (No 2), 24
MUNICIPAL RELATIONS (Principle of Closer) . . . . .	200, 227
NATIONALITY DECREES IN TUNIS AND MOROCCO (See <i>Court</i> )	
OPIUM (Traffic in) . . . . .	15, 26 (No. 2), 63, 108, 181, 219, 234, 261, 310
OBSCENE PUBLICATIONS. . . . .	133, 159, 220, 311
PAN-AMERICAN CONFERENCE. (No. 2), . . . . .	10
POLAND AND LITHUANIA . . . . .	22, 60, 85
PROTECTION OF WOMEN AND CHILDREN IN THE NEAR EAST. . . . .	222, 235
REFUGEES.	
Armenians in the Caucasus, Scheme for the Settlement of. . . . .	219
Asia Minor Refugees. . . . .	14, 26, 90, 217, 233
Bulgarian Inhabitants of W. Thrace . . . . .	86, 132, 217, 233

Greek Refugee Settlement Scheme . .	16, 218, 259,	278
Greek Refugees at Constantinople . . . . .		132
Near East Refugees . . . . .		233
Russian Refugees . . . . .	14, 25, 90, 217, 260, 309,	233
REGISTRATION OF TREATIES.		
6, 51, 75, 101, 123, 199, 246,	269,	292
Ratification of International Conventions . . .	199, 246,	292
RUSSIA (Economic Conditions in) (See <i>Economic and Financial Organisation</i> ).		
RELIEF OF PEOPLES STRICKEN BY CALAMITIES . . .	223,	235
SAAR BASIN . . . . .	13, 19 (No 2), 58, 79, 106, 128, 151, 178, 207, 257, 277,	505

SERA AND SEROLOGICAL TESTS (See <i>Health Organisation</i> ).		
SLAVERY . . . . .	158, 223, 235,	311
SUPERVISORY COMMISSION . . .		102
TRAVELLING FACILITIES FOR BOY SCOUTS, ETC. . . . .	200,	227
UPPER SILESIA . . . . .	61,	107
VISITS OF THE SECRETARY-GENERAL		
Warsaw, Danzig, Prague, Vienna . . . . .		123
Bucarest, Budapest, Rome . .		268
ss WIMBLEDON (See <i>Court</i> ).		
WIRELESS CONFERENCE, . . .	149,	272
WOMEN AND CHILDREN (Traffic in) . . . . .	61, 91, 111, 158, 222, 234, 235, 260,	311



as evinced by foreign trade figures for the first six months of this year. The visible balance is still unfavourable, but the excess of imports over exports is 57.7 million gold crowns, the exports amounting to 240.3 million gold crowns, while, during the corresponding period of last year, the exports only reached the figure of 147.8 million gold crowns and the imports exceeded them by 96.5 million.

The import restrictions on a certain number of articles have been removed, and the import of wheat and rye in bond for milling is now allowed. The Hungarian milling industry is old-established and excellently equipped, and may thus be enabled to increase its output, which had decreased since the war in about the same proportion as the surface of the country.

The main cereal crops, wheat rye, oats and barlee, are not better than the average of the years that preceded 1923, an exceptionally good year. Maize, however, is doing well and sugar-beet promises a very good harvest on a greatly increased area of cultivation, a fact which holds out prospects of export and employment on a considerable scale. This dulness of trade is partly to be explained by the fact that as long as depreciation of the currency and the corresponding rapid increase in prices lasted, there was a strong inducement to overstock. When trade has resumed a more normal course, it may be hoped that it will again occupy as many people as formerly and offer openings to some of the state officials who are being dismissed in conformity with the League plan.

Stabilisation of the currency, if it has not yet brought about an appreciable decrease in prices, has at any rate put an end to their increase, which had progressed uninterruptedly for many months past.

## V. — Administrative Questions.

### DANZIG

The Secretary-General, at the request of the Danzig and Polish Governments has appointed two experts, Mr. Jacob A. Kalf, Director-General of the Netherlands railways, and Mr. Marriott, of the London, Midland and Scottish Railways Company, to take part in the negotiations to open on September 15th at Danzig on certain points in connection with the Danzig railways.

The experts have been selected with a view to their technical and legal knowledge of railway administration. Mr. Kalf will act as chairman of the conference and Mr. Marriott will undertake the duties of technical adviser.

## VI. — Political Questions.

### THE FRONTIER OF IRAQ

The British Government has requested the Secretary-General to include the question of the frontier of Iraq in the agenda of the forthcoming session of the Council.

In its communication to the Secretary-General of the League; the British Government recalls the fact that, by Article 3, paragraph 2 of the Treaty of Lausanne, the frontier between Iraq and Turkey is to be settled within nine months by friendly negotiations between Turkey and Great Britain, and that, if within this period no agreement is reached between the two Governments, the question is to be brought before the Council of the League. The British Government adds that negotiations began on October 5th, 1923, and that, in spite of the efforts of the Constantinople

Conference (May 19th—June 9th, 1924), no agreement was reached by July 5th, at which date the period of nine months came to an end. Further, the British Government points out that as the Treaty of Lausanne has now been ratified by both the British and Turkish Governments and as ratifications will be deposited in the near future, the Treaty is therefore about to come into force between the contracting Parties that have ratified it.

The Secretary-General of the League has informed the Turkish Government of the step taken by the British Government.

*Telegram from the Turkish Government to the Secretary General.*

The Secretary General has received from the Turkish Government the following telegram :

I have the honour to acknowledge receipt of the letter and annexed documents you sent me on August 9th, 1924, regarding the inclusion in the agenda of the next session of the Council of the League of Nations of the question of the frontier between Turkey and Iraq. The Government of the Turkish Republic has not yet been informed officially and in writing of the entry into force of the Treaty of Lausanne; nor has it received the minutes mentioned in Article 143. The entry into force of the Treaty being an essential condition of the reference to the Council, in conformity with the said Treaty, of the dispute between Turkey and Great Britain, I wish to make reservations with regard to any discussion of the question until this entry into force has been officially notified. My Government considers that the time limit provided in the Treaty of Peace for the friendly settlement of the dispute could not be utilised for this purpose, because its efforts to bring the negotiations to bear on the essential point at issue met with no success. The action of the British Government in making use of its right under Article 32 of the Treaty shows that it is not anxious to settle the matter by direct negotiation. Convinced that her rights to the Mosul Vilayet must be clearly demonstrated by any equitable means of investigation the League of Nations might select, Turkey did not hesitate, in the Treaty of Lausanne, to the dispute being referred to the Council, if necessary. In these circumstances, and subject to the above reservations, the Turkish Government agrees in principle to the question of the frontier between Turkey and Iraq being entered on the agenda of a future session of the Council. In view, however, of the necessity of awaiting the official transmission of the certified true copy of the minutes bearing witness to the deposit of the ratifications by the three powers as provided in Article 143 of the Treaty of Peace, I have the honour to inform you that the Turkish representative is authorised to take part at any time in the deliberations of the Council twenty days after the said copy has been received.

(Signed) ISMET.

## VII. — Social and Humanitarian Questions.

### SIXTH SESSION OF THE ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

The Advisory Committee on Traffic in Opium and other Dangerous Drugs held its sixth plenary session at Geneva from August 4th to 14th. The following members and assessors were present :

*Members :*

Mr. van Wettum, Chairman	(Netherlands)
Prince Charoon, Vice-Chairman	(Siam)
Mr. Bourgois	(France)
Dr. Anselmino	(Germany)
Sir Malcolm Delevingne	(Great Britain)
Mr. John Campbell	(India)
Dr. Tsurumi	(Japan)

Mr. Ferreira	(Portugal)
Dr. Yovanovitch	(Serb-Croat-Slovene Kingdom)
Mr. Neville (in an advisory capacity)	(United States)

*Assessors :*

Mr. Brenier  
 Sir John Jordan  
 Mrs Hamilton Wright

The principal item on the agenda of the sixth session was the report of the Preparatory Committee for the International Conferences on the gradual suppression of opium-smoking in the Far East and on the limitation of the opium and drug production, which will open on November 3rd and 17th respectively. The Committee invited the Bolivian, Greek, Persian, Peruvian, Russian, Swiss and Turkish Governments to appoint representatives to attend the meetings when the report of the Preparatory Committee was discussed. These Governments are especially interested in the question and have not as yet had an opportunity of expressing their opinion. Two States only, Bolivia and Greece, were able to send representatives—Mr. Pinto Escalier, and Mr. Colocotronis.

*a) International Conferences.*

*Limitation of the opium and coca leaf production and of the manufacture of narcotics.* — The Committee examined the schemes submitted by the Preparatory Committee and drew up a series of measures, which, in its opinion, furnished a satisfactory basis for the work of the Conference and prepared the way for a final agreement.

These measures, which aim at reducing drug production by a more stringent control of the manufacture of, and trade in, narcotics, would, if put into force, strengthen, and give greater precision to, the provisions of the Hague Convention. Governments would undertake to furnish estimates of their annual import requirements of raw opium, coca leaves, morphine, heroin and cocaine for medical and scientific purposes, whether for domestic consumption, manufacture or commerce. They would also undertake to organise a more effective control of the manufacture of, and the national and international traffic in, drugs. Moreover, regulations would be established to prevent the smuggling of narcotics and control the movements of raw material entering, remaining in, or leaving free ports, free zones, or bonded warehouses.

These measures, together with the report of the Preparatory Committee, will be transmitted to the Council and to the Governments invited to the Conference. Due consideration has been given to the legitimate requirements of the different countries, and practical suggestions are made with a view to reducing the illicit traffic in drugs, while interfering as little as possible with legitimate trade.

*Gradual suppression of opium-smoking.* — The Committee approved the programme of the Preparatory Committee for the International Conference of November 3rd, which is summoned for the purpose of considering the situation in regard to the application of Part II. of the Hague Opium Convention.

The programme comprises an examination of the situation in Far Eastern territories where opium-smoking is still permitted, the consideration of measures for the suppression of the illegal production and use of opium, and the preparation of an international convention. It also provides for a special study of the use of opium in territories bordering on China.

In this connection Sir John Jordan moved that an annual reduction of 10 %

on the quantities of raw opium imported into Far Eastern territories where the existence of opium-smoking is still authorised should be proposed. This suggestion will be discussed at the Conference.

### b) *Other Questions before the Committee.*

On the proposal of the Government of the South African Union the Committee decided to study the question of Indian hemp as a habit-forming drug. The issue of import certificates on telegraphic instructions and the situation as regards the abuse of opium and narcotics in China, the clandestine traffic in and from Persia and the use of opium in Mandated Territories were also considered by the Committee.

*Import Certificates.* — The Committee discussed regulations in force in certain countries, in virtue of which consular officials, on telegraphic instructions from their Governments, are authorised to deliver import certificates for opium and other drugs. The Committee came to the conclusion that such regulations, which facilitated both the control of the traffic and legitimate commercial operations, might be applied by all Governments.

*Situation in China.* — In 1922, the Council had requested the Chinese Government to undertake an investigation bearing on the cultivation of the poppy in China. At its sixth session, the Committee had to consider reports on the subject presented by the Chinese Government and the International Anti-Opium Association. The Committee recommended that special steps should be taken to intensify the anti-opium campaign in the Far Eastern press, and voted a resolution recommending that Powers with extra-territorial rights in China should make regulations to control the carrying on by their nationals in China of any trade in the drugs mentioned in Chapter III. of the Hague Opium Convention.

*Persia.* — At the request of the British delegate the Committee examined the situation as regards opium production in Persia, where new regulations against the illegal drug traffic are under consideration.

*Mandated Territories.* — The Committee noted a report on the measures taken in Mandated Territories to prevent or combat drug-taking.

## VIII. — Publications of the League of Nations.

### 1. — THE BALANCE OF INTERNATIONAL PAYMENTS AND FOREIGN TRADE BALANCES

The League of Nations has just issued a new publication on the Balance of International Payments and Foreign Trade Balances. So far, Volume I. only has appeared. This volume contains in the first place estimates of the visible and invisible balances of some dozen or more countries, and constitutes a serious attempt to stimulate the study of the very important problem of the balance of international payments. It is, we believe, the first time that such a collection of data has been undertaken, and the results, although necessarily provisional, are of very great interest. The same volume contains a number of synoptic trade tables and an introduction, in which the mass of material which these tables contain is analysed. There are two points in this introduction of particular interest. The first is a study of the extent to which various countries have improved or lost their status in inter-

national trade. It is impossible to deal with this question by employing the statistics of any single country owing to price changes; but this difficulty has been overcome by using the publications of all or practically all countries. For example, in the case of six leading countries, a table is given showing the proportion of imports from each of these countries into thirty-six countries to the total imports of each of the latter in 1913 and 1922. This proportion shows the extent to which the trade of these six countries has gained or lost ground. Similar comparisons can be made for each of the thirty-six other countries by means of analytical tables given at the end of the volume.

The second point to which attention should be drawn is the analysis which has been made of the changes in relative value of the imports and exports of some eighteen countries.

The second volume, which will be issued in a few weeks, contains summarised trade statistics for forty-two different countries, preceded in the majority of cases by explanatory notes on the national systems of compilation. The whole publication constitutes an addition and complement to the memoranda on public finance, currency, and banking, which the League of Nations has already issued.

## 2. — THE MONTHLY BULLETIN OF STATISTICS

The July number of the Monthly Bulletin of Statistics contains nineteen tables giving information from official sources on the coal, iron and steel production, trade, public finance, the cost of living and unemployment in forty-five different countries. This number may, therefore, be said to furnish a general idea of the economic and commercial situation of these States.

A table shewing the area and population figures of various countries, before and after the war, is also published, and is preceded by an introduction explaining the different methods of census-taking.

In most countries the census is now decennial. Its periodicity has frequently been changed as, for instance, in Sweden, where the census was taken every three years from 1751 to 1775, every five years from 1776 to 1860, and every ten years since 1861.

There is no uniform census date, and the regulations for the fixing of the date vary greatly in the different countries. In India, for example, the following considerations affect the date of the census : *a*) the date must be, as nearly as possible, the tenth anniversary of the previous census; *b*) there should be moonlight between 7 p.m. and midnight when the enumerators verify their schedules; *c*) the census should not coincide with large fairs or other gatherings affecting the normal distribution of the population. The dates regarded as suspicious for marriages or for bathing in the sacred rivers should also be avoided.

In other countries the census date is generally the first or the last day of the year.

The July number of the Monthly Bulletin of Statistics also publishes estimates established in certain of countries of nationals temporarily abroad on the date of the last census.

## X. — Forthcoming Events.

September 15th : Meeting of the Legal Sub-Committee of the Advisory Committee on Communications and Transit, Geneva.

September 16th : Meeting of the Supervisory Commission, Geneva.

September 18th : Meeting of the Waterways Sub-Committee of the Health Committee, Geneva.



- September 22nd : Meeting of the Sub-Committee on Public Health Instruction, Geneva.
- September 22nd : Meeting of the Opium Sub-Committee of the Health Committee, Geneva.
- September 24th : Meeting of the Malaria Commission, Geneva.
- September 24th : Meeting of the Far-Eastern Sub-Committee of the Health Committee, Geneva.
- September 25th : Meeting of the Cancer Commission of the Health Committee, Geneva.
- September 27th : Meeting of the Sub-Committee for the study of the question of "Libre Pratique", Health Committee, Geneva.
- September 29th : Third plenary session of the Health Committee, Geneva.
- October 1st : Meeting of the special Body of Experts on Traffic in Women and Children.
- October 9th : Twenty-fourth session of the Governing Body of the International Labour Office, Geneva.
- October 13th : Extraordinary session of the Permanent Mandates Commission, London.
- November 3rd : First Opium Conference, Geneva.
- November 17th : Second Opium Conference, Geneva.

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THE  
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OF THE  
LEAGUE OF NATIONS

SEPTEMBER 1924

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Vol. IV. No. 9

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SEPTEMBER 1924

Vol. IV. No. 9.

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month.</i> . . .	168	d) Report on the Work of the Economic Com- mittee. . . . .	186
II. <i>The Permanent Court of Inter- national Justice.</i> . . . .	172	3. Communications and Tran- sit. . . . .	187
1. The Permanent Court and the London Agreements. . . . .	172	4 Intellectual Co-operation. . .	187
2 Election of the President of the Court. . . . .	172	VI <i>Administrative Questions.</i> . .	189
3. Constitution of the Chamber of Summary Procedure. . . . .	172	1 The Saar . . . . .	189
4. The Question of the Monas- tery of Saint Naoum . . . . .	172	2 Mandates. . . . .	190
5. The Greco-Bulgarian Dispute. .	173	a) Work of the Permanent Mandates Commission . . . . .	190
III. <i>Reduction of Armaments.</i> . .	173	b) Proposed Australian Loan to the Administration of New Guinea. . . . .	191
1. Various Questions concern- ing the Reduction of Ar- maments. . . . .	173	3. The British Mandate for Iraq. . . . .	191
2. Military Control. . . . .	174	VII. <i>Protection of Minorities.</i> . .	192
IV. <i>General Questions.</i> . . . .	176	1 The Acquisition of Polish Nationality. . . . .	192
1. Admission of the Dominican Republic. . . . .	176	2. Moslems of Albanian Origin in Greece. . . . .	192
2. Election of the Non-Perma- nent Members of the Council . . .	177	3 Minorities in Bulgaria and Greece. . . . .	193
3. International Engagements . .	177	4 Minorities in Greece and Tur- key . . . . .	194
a) Amendment to Article XVI of the Covenant. . .	177	VIII <i>Political Questions.</i> . . . .	195
b) Ratification of Amend- ments to the Covenant. . . . .	178	1. The Frontier of Iraq . . . . .	195
c) Registration of Treaties and International En- gagements . . . . .	178	2. The Frontiers of Albania. .	196
d) Signature of the Protocol of the Permanent Court of International Justice . . . . .	179	3. The Situation in Georgia. . .	196
4 Development of Internatio- nal Law . . . . .	179	IX. <i>Social and Humanitarian Ques- tions.</i> . . . . .	197
5. Legal Assistance for the Poor .	180	1. Refugees . . . . .	197
6. Financial Questions . . . . .	180	2. Traffic in Women and Chil- dren. . . . .	198
V. <i>Technical Organisations.</i> . . .	181	3. Protection of Women and Children in the Near East. . . . .	198
1. The Health Organisation. . . .	181	4. Protection of Children. . . .	198
2. The Economic and Finan- cial Organisation . . . . .	181	5. Traffic in Opium . . . . .	199
a) The Financial Recons- truction of Hungary . . . . .	181	6. Famine in Albania. . . . .	199
b) The Financial Recons- truction of Austria. . . . .	183	7. International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster. . . . .	200
c) International Loan for Greek Refugees and other Work of the Fi- nancial Committee . . . . .	185	8 The Principle of Close Mu- nicipal Relations . . . . .	200
		9. Slavery. . . . .	201
		X. <i>Resolutions of the Assembly.</i> .	201
		XI. <i>Forthcoming Events.</i> . . . .	216



## I. — Summary of the Month.

The fifth Assembly of the League of Nations met in September at Geneva. Its most important achievement was the preparation of the Protocol for the Pacific Settlement of International Disputes, which it recommended unanimously to the acceptance of the Governments.

The Protocol was drafted by the Legal and Disarmament Committees of the Assembly acting on instructions contained in an Assembly resolution presented on September 6th by the Prime Ministers of France and Great Britain.

The Council held its thirtieth session during the same month at Geneva; and the Permanent Court of International Justice, meeting at the Hague, brought the work of its fifth session to a close.

### 1. *The Permanent Court of International Justice.*

The fifth ordinary session of the Court came to an end in the first fortnight of September; the Court delivered on September 4th its advisory opinion in the Saint-Naoum case, judgment in the Greco-Bulgarian difference being given on September 12th.

### 2. *The Council.*

At its thirtieth session, which opened in August 29th and came to an end on October 3rd, the Council was composed as follows :

Mr. Hymans . . . . .	Belgium
Mr. de Mello Franco . . . . .	Brazil
Dr. Benes . . . . .	Czechoslovakia
Mr. Bourgeois (replaced later by M. Briand and Mr. de Jouvenel). . . . .	France
Lord Parmoor . . . . .	Great Britain
Mr. Salandra . . . . .	Italy
Viscount Ishii . . . . .	Japan
Mr. Quinones de Leon . . . . .	Spain
Mr. Branting . . . . .	Sweden
Mr. Guani . . . . .	Uruguay

Representatives of Albania, Austria, Bulgaria, Greece, Hungary, Persia, Poland, the Serb-Croat-Slovene Kingdom and Turkey took part in the Council debates on questions of interest to their countries.

In the political field, the Council had to deal with the question of the frontier between Turkey and Iraq. After elucidating, with the assistance of the parties represented, certain details with regard to the scope of the question submitted and its own jurisdiction in the case, the Council decided to appoint a special commission to collect all information and make suggestions of a nature to enable the Council to reach a decision.

With regard to the supervision of German, Austrian, Bulgarian and Hungarian armaments, the Council approved, with certain modifications, a scheme drawn up by the Permanent Advisory Commission for the exercise of the right of investigation assigned to it by the peace treaties.

The Council decided, in connection with the protection of minorities, to place under the guarantee of the League the relevant articles of the Treaties of Sevres and Lausanne. During the thirtieth session two questions were dealt with by

the Council as a result of this decision. The Council decided to consider the question of the Moslems of Albanian origin in Greece as a question falling under the Greek minorities treaty. It also accepted a proposal of the Greek Government to appoint two members of the Greco-Bulgarian Mixed Emigration Commission in the capacity of special representatives of the League to assist the Greek Government in its endeavours to assure equitable treatment to Bulgarian minorities. A similar proposal of the Bulgarian representative with regard to Greek minorities in Bulgaria was also accepted. The proposals were embodied in two Protocols defining the duties of the League representatives.

The Council noted that the work of reconstruction undertaken by the League in Austria rested on solid foundations. Budgetary equilibrium has, to all intents and purposes, been attained; substantial progress has been made in administrative reforms. The Council, therefore, agreed to the proposals submitted by the Financial Committee and the Commissioner-General, having in view a gradual weakening of the control ending with its entire suppression, subject to maintaining the possibility of its re-instatement, if necessary.

On the advice of the Financial Committee, the Council approved amendments to the Protocol and the Statute of the Greek Refugees Settlement Commission. These amendments were drawn up as a result of an agreement between the Financial Commission, the Settlement Commission and the Greek Government.

*The Fifth Assembly.* — The fifth Assembly of the League of Nations met at Geneva from September 1st to October 2nd. Forty-nine States Members of the League were represented, namely :

South Africa	Ethiopia	Norway
Albania	Finland	New Zealand
Australia	France	Panama
Austria	Greece	Paraguay
Belgium	Guatemala	Persia
Brazil	Haiti	Poland
British Empire	Holland	Portugal
Bulgaria	Hungary	Roumania
Canada	India	Salvador
China	Irish Free State	Kingdom of the Serbs,
Chile	Italy	Croats and Slovenes
Colombia	Japan	Siam
Costa Rica	Latvia	Spain
Cuba	Liberia	Sweden
Czechoslovakia	Lithuania	Switzerland
Denmark	Luxemburg	Uruguay
Esthonia	Nicaragua	Venezuela

The Argentine Republic, Bolivia, Honduras, Guatemala and Peru were not represented. During the session, the Dominican Republic was admitted as member of the League, bringing the total membership to fifty-five States.

The proceedings were opened by M. Hymans, as Acting President of the Council, who briefly reviewed the development and work of the League since the First Assembly in 1920, adding that, during the past year the League had become an essential part of international life and an indispensable centre of co-ordination for manifold enterprises, designed to establish closer contact and strengthen friendship between Governments by practical and conciliatory agreements. In the future, M. Hymans said, a yet wider field lay before the League.

*Election of the President.* — M. Giuseppe Motta, first delegate of Switzerland, was elected President of the Fifth Assembly, receiving forty-five out of forty-seven

votes. M. Motta thanked the Assembly for this mark of its confidence and goodwill, an honour, he said, done not so much to him personally as to Switzerland. He declared that the progress achieved by the League since 1920 was considerable, and that the impulse given at the London Conference to the principle of compulsory arbitration was of the best augury for the coming debates of the Assembly.

*Distribution of work.* — The work of the Assembly was distributed as in preceding years amongst six principal Committees, each of which was composed of delegates of all nations represented at the Assembly. The Committee meetings were public. The list of Committees is as follows :

No. 1. *Legal and Constitutional Questions*, such as the amendments to Article XVI of the Covenant, and legal assistance to the poor; examination of Articles of the Covenant relating to the settlement of disputes, with a view to eventual amendments; examination of Article 36 of the Statute of the Court.

No. 2. *The work of the Technical Organisations*, namely the reports of the Economic and Financial, Transit, and Health Organisations, and that of the Committee on Intellectual Co-operation.

No. 3. *The reduction of Armements.*

No. 4. *Budget and Financial Questions.*

No. 5. *Social and general Questions*, such as the traffic in opium and other dangerous drugs, the traffic in women and children, the promotion of child welfare, the principle of closer municipal relations, and refugee problems.

No. 6. *Political Questions.*

The Committees elected the following officers :

*First Committee* : Chairman, Sir Littleton E. Groom (Australia); Vice-Chairman, M. J. Limburg (Netherlands).

*Second Committee* : Chairman, M. Narciso Garay (Panama); Vice-Chairman, M. de Brouckere (Belgium).

*Third Committee* : Chairman, M. Jean G. Duca (Roumania); Vice-Chairman, M. Politis (Greece).

*Fourth Committee* : Chairman, Baron Adatci (Japan); Vice-Chairman, M. Zumeta (Venezuela).

*Fifth Committee* : Chairman, M. Herluf Zahle (Denmark); Vice-Chairman, Mr. Dandurand (Canada).

*Sixth Committee* : Chairman, M. Enckell (Finland); Vice-Chairman, Mr. James McNeill (Irish Free State).

The Chairman of the Committees of the Assembly are *ipso facto* Vice-Presidents of the Assembly. The Assembly proceeded, after their designation, to the election of six other Vice-Presidents in order to complete its General Bureau, which consists of the President, twelve Vice-Presidents and the Secretary-General. The six Vice-Presidents elected by the Assembly were :

M. Léon Bourgeois . . . . .	France
Lord Parmoor. . . . .	British Empire
M. Salandra. . . . .	Italy
M. Urrutia . . . . .	Colombia
M. Skrzynski . . . . .	Poland
M. Tang Tsai-Fou. . . . .	China

Further, an Agenda Committee was appointed, consisting of the following members :

M. Marinkovitch (Chairman). . . . .	Kingdom of the Serbs, Croats and Slovenes
Sir Joseph Cook. . . . .	Australia
M. Hymans. . . . .	Belgium
M. Quezada. . . . .	Chile
M. Zahle. . . . .	Denmark
M. Politis. . . . .	Greece
Prince Charoon. . . . .	Siam

*General Debate.* — The discussion of the subjects before the Assembly began at the fourth plenary meeting with the debate on the work of the Council. This debate was subsequently suspended for three days in order to discuss the general question of the reduction of armaments, and was resumed at the twelfth meeting, coming to an end at the fourteenth meeting of the Assembly.

The Prime Ministers of France, Great Britain, Belgium and Denmark, who were at Geneva during the first week of the Assembly, took part in the preliminary discussion on the reduction of armaments which culminated in the joint resolution presented by the French and British delegations and unanimously adopted by the Assembly.

This resolution paved the way for the drafting of the Protocol for the Pacific Settlement of International Disputes <sup>(1)</sup>, which the delegations to the Assembly unanimously decided to recommend to their respective Governments for acceptance. It has already been signed by ten States : France, Albania, Bulgaria, Esthonia, Greece, Latvia, Poland, Portugal, the Serb-Croat-Slovene Kingdom and Czechoslovakia. France signed the Protocol relating to the compulsory jurisdiction of the Permanent Court. The Dominican Republic signed the Protocol of the Statute of the Court and also the Protocol relating to the Optional Clause

These signatures are all subject to ratification.

Important decisions were reached by the Assembly with regard to the trade in, and private manufacture of arms; it requested the Council to communicate to the Governments a draft convention on the control of the international traffic in arms, and to ask whether they would be prepared to attend a conference on the subject in the spring of 1925.

The Assembly further instructed the competent League organisation to prepare, if possible with the co-operation of the United States, a convention on the private manufacture of arms.

After reviewing and approving the work of the Technical Organisations and Commissions during the past year, the Assembly endorsed the programmes drawn up for the coming year. Amongst many other subjects, the development in international law, the international regulation of wireless telegraphy and telephone communications, the protection of scientific property, the creation of international arrangements for legal assistance to the poor, the problems of the settlement of Armenian refugees, and of the foundation of an international federation for the relief of peoples stricken by disaster, and that of slavery will be studied by the appropriate organisations of the League.

---

1) See Special Supplement

## II. — The Permanent Court of International Justice.

### 1. — THE PERMANENT COURT AND THE LONDON AGREEMENTS

The Agreements on reparations recently concluded at London by the Allied Powers and Germany assign to the Permanent Court and to its President the following duties :

a) Should the Reparation Commission be unable to reach a unanimous decision regarding the appointment of an American citizen to take part in discussions concerning an eventual German default, the President of the Court will be called upon to make the appointment.

b) The President of the Court will appoint arbitrators to give a final decision in certain transactions, should the organisation which would normally be called upon to make these appointments be unable to reach unanimity on the subject. The London Agreements contemplate seven such cases.

c) The Court has jurisdiction in the settlement of certain disputes between Germany and an Allied Government or between Allied Governments.

### 2. — ELECTION OF THE PRESIDENT OF THE COURT

Professor Max Huber (Switzerland) has been elected President of the Court, succeeding Mr. Loder (Netherlands) whose term of office has expired. Mr. André Weiss (France) has been re-elected Vice-President.

### 3. — CONSTITUTION OF THE CHAMBER OF SUMMARY PROCEDURE

In virtue of Article 14 of its Rules, the Permanent Court has constituted as follows its Chamber of Summary Procedure for 1925 :

*Members :* Mr. Loder  
Mr. Weiss  
Professor Huber

*Substitutes :* Lord Finlay  
Mr. Altamira

The mandate of these members begins on January 1st and expires on December 31st, 1925.

### 4. — QUESTION OF THE MONASTERY OF SAINT NAOUM

The Permanent Court in a public hearing of September 4th delivered its advisory opinion regarding the delimitation of the Serbo-Albanian frontier at the Monastery of Saint Naoum.

The Court, after examining the facts, causes, and legal aspects of the case, was of opinion that the Conference of Ambassadors by its decision of December 5th, which allocated to Albania the Monastery of Saint Naoum, had exhausted its mission as contemplated by the unanimous resolution of the League Assembly (October 2nd, 1921).

## 5. — THE GRECO-BULGARIAN DISPUTE

In a public hearing on September 12th the Permanent Court, sitting as a Chamber of Summary Procedure, delivered judgment in the Greco-Bulgarian dispute in respect of the interpretation of a provision of the Treaty of Neuilly.

The case relates to the question whether it is possible to pay out of funds proceeding from the liquidation of Bulgarian property and interests in Allied territory debts due to Allied subjects in consequence of acts committed by Bulgarian authorities outside the pre-war limits of Bulgarian territory and claims submitted by Allied subjects in respect not only of loss of property but also of personal injury.

The Court decided that the provision in question of the Treaty of Neuilly should be interpreted as authorising claims in respect of acts committed even outside Bulgarian territory as constituted before October 11th, 1915, and in respect of damage incurred by claimants not only as regards their property but also as regards their person.

The Court further decided that reparation due on this ground came within the scope of the reparation contemplated in Article 121 of the Treaty of Neuilly and was consequently included in the total of the reparation due by Bulgaria.

## III. — The Reduction of Armaments.

In addition to the preparation of the Protocol on the Pacific Settlement of International Disputes, the Assembly took decisions on other points connected with the armaments problem, such as the trade in and the private manufacture of arms.

The Council at its 30th session set up an organisation by means of which it will be able to exercise its right of investigation into the armaments of Germany, Austria, Bulgaria and Hungary.

### 1. — VARIOUS QUESTIONS CONCERNING THE REDUCTION OF ARMAMENTS (1)

#### *Control of the Traffic in Arms, Munitions and War Material.*

The Temporary Mixed Commission was asked last year to draw up a draft convention that could be accepted by all States, including States not members of the League.

The draft was accordingly framed by the Temporary Mixed Commission in co-operation with the Permanent Advisory Commission, and assisted by representatives of the Government of the United States, who were asked to take part in the work of the Temporary Mixed Commission. The draft is intended to serve as a basis of discussion for an international conference.

The Minister of the United States of America at Berne announced in a letter dated August 29th that his Government would consider favourably an invitation to take part in a conference of this nature. The Assembly decided that the time had now come to achieve definite results in this field, and consequently asked the Council to communicate the draft convention to all States, whether members of the League or not, requesting them to inform the Secretary-General before December whether they would be willing to take part in a conference meeting in April or May, 1925

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(1) See Resolutions of the Assembly.

As regards statistical information on the traffic in arms, munitions and war material, the Assembly, having noted statistical tables on this subject prepared by the Secretariat, decided that such information should be published periodically. It was also of opinion that this information might serve as the basis for a study by a special Commission of the characteristic features of the trade in arms and munitions as revealed by these statistics. Governments will be asked to communicate to the Secretariat all documents likely to be useful in preparing this work.

*Private manufacture of Arms, Munitions and War Material.* — The Assembly took note of the reports on this subject prepared by the Temporary Mixed Commission and the Economic Committee of the League and requested that the Temporary Mixed Commission or any corresponding body appointed by the Council should be asked to frame the text of a draft convention, with the collaboration, if possible, of a representative of the United States of America.

*Chemical Warfare.* — The Assembly noted a report dealing with the probable effects of chemical discoveries in warfare drawn up by the Committee on Chemical Warfare appointed by the Temporary Mixed Commission. The Assembly recommended that the attention of public opinion throughout the world should be drawn to the necessity of endeavouring to remove the causes of war by the pacific settlement of disputes and by the solution of the problem of security, so that nations would no longer be tempted to use their chemical, scientific or industrial capacity for producing lethal weapons.

*Co-ordination of the Work of the Temporary Mixed Commission and the Permanent Advisory Commission.* — As the problem of armaments had this year reached a new stage requiring the special attention of the Council, the Assembly decided to entrust to the latter the question of co-ordinating the work of the two Commissions. At the same time it made to the Council certain suggestions for the re-organisation of the Temporary Mixed Commission, with a view to its future work.

## 2. — MILITARY CONTROL

The Council began the examination of the question of its right of investigation, as contemplated in the Treaties of St. Germain, Trianon and Neuilly, with regard to the Austrian, Bulgarian and Hungarian armaments, at its twenty-ninth session in June, when it sought the opinion of a Committee of Jurists in connection with the claim of certain States to take part in the debates on the subject. The Council further instructed the Permanent Advisory Commission on Military, Naval and Air questions to continue the examination of the question of the organisation to be placed at the disposal of the Council with a view to the exercise of the right of investigation contemplated by the Peace Treaties <sup>(1)</sup>.

The Council subsequently informed the Permanent Advisory Commission, in reply to an inquiry, that the organisation which the Commission had been requested to study, should also be adaptable to the exercise of the right of investigation as contemplated by the Treaty of Versailles.

The Committee of Jurists <sup>(2)</sup> met towards the end of July and formulated an opinion which the Council endorsed on September 19th. The Council, in accordance with this opinion, informed the Governments concerned that it was unable to accede to their claim.

Meanwhile the Permanent Advisory Commission had drawn up a scheme on the basis of which the Council drafted the constitution of the organisation to be set up.

(1) See *Monthly Summary*, Vol. IV, No. 6, p. 109

(2) See *Monthly Summary*, Vol. IV, No. 7, p. 129

*Organisation with a view to the exercise of the right of investigation.*

This scheme, which was adopted by the Council on September 27th fixes the initial procedure with regard to investigation, and determines the method and scope of such investigation as well as the constitution and operation of the Commissions.

a) *Role of the Council.* — Once an investigation is decided upon, the Council will notify the Government concerned without informing it of the details of such investigation, which may bear on the demilitarisation of territories provided for by the treaties and the military, naval and air clauses of the treaties.

The programme of the investigations, and the lists of experts will be decided upon by the Council on the proposal of the Permanent Advisory Commission. The Council determines the composition of the Commissions and appoints the presidents who receive their instructions from, and are responsible to the Council. The Council fixes the period of the investigations and receives all reports and information.

b) *Composition and functions of the Permanent Advisory Commission.* — The Permanent Advisory Commission is responsible to the Council for preparing the organisation for any investigation upon which the Council may decide. These investigations will be carried out by special Commissions, entitled "Commissions of Investigation".

The Permanent Advisory Commission is composed of experts selected by the States represented on the Council, each State nominating three experts (for military, naval and air questions). Any State, not being a member of the Council, neighbour of a State which has given, by one of the peace treaties, an undertaking to submit to investigations, and being a signatory of that Treaty, shall be represented on the Permanent Advisory Commission for all questions concerning such investigations.

The Permanent Advisory Commission shall furnish to the Council any information it may require with regard to the observance of the disarmament clauses of the peace treaties. The Commission will receive immediately after their arrival copies of the reports and information submitted to the Council and may propose that the right of investigation shall be exercised. The Commission will submit to the Council, if necessary, each year, the programme of the investigations it recommends. At each session of the Council, the Commission may propose such additions to the programme as it may consider necessary.

The Permanent Advisory Commission will draw up, for the approval of the Council, the preliminary list of experts from which the members of the Commissions of Investigation will be selected. According to the nature and importance of the investigation, the Permanent Advisory Commission will submit to the Council proposals as to the exact composition of the Commission of Investigation. The Permanent Advisory Commission will supply the Presidents of the Commissions of Investigation with such information as may be necessary, and, in the case of technical difficulties, if the matter comes within its competence, with the necessary additional technical advice or assistance. The Permanent Advisory Commission will draft the instructions for the Presidents of the Investigation Commissions who will furnish the Permanent Advisory Commission with copies of their reports to the Council. The Permanent Advisory Commission will forward to the Council its reasoned opinion on these reports.

Members of the Permanent Advisory Commission cannot be members of a Commission of Investigation.

c) *Constitution and functions of the Commissions of Investigation.* — The members of these Commissions will be chosen from a list, drawn up by the



Council, of experts qualified in the various matters likely to form the subject of investigations. This list will consist of experts appointed by the Governments of States represented on the Council at the date of the drawing-up of the list. Each State will furnish an equal number of experts who should, at all times be available in their respective countries. At any time when a change takes place in the normal constitution of the Council, this list shall be revised so as to be brought into line with the composition of the Council. With the exception of States subjected to investigation, the States represented on the Council, when an investigation is decided upon, will in principle, be represented on every Commission of Investigation. Should the Council not include any representative of a State signatory of the Treaties of Peace and, at the same time, bordering on the State under investigation, or any representative of a non-signatory of the peace treaties, the Council will select a State from each of these categories, and the experts of these States will be added to those of the States represented on the Council.

Every local investigation will be carried out by at least three experts of different nationalities.

The Presidents of the Commissions of Investigation will not reside in a State subject to investigation, except during a period of investigation. The Presidents can, within a period fixed by the Council, and with its approval, detach groups to remain at points in demilitarised zones where continuity of investigation is required.

The organisation instituted by the Council should be ready to enter into operation for each of the States subject to investigation before the withdrawal of the Inter-Allied Commissions of Control.

#### IV. — General Questions.

##### 1. — ADMISSION OF THE DOMINICAN REPUBLIC

The Assembly, on September 29th, unanimously admitted the Dominican Republic to membership of the League. The total number of Members of the League is now fifty-five.

According to the usual procedure the application was referred by the Assembly to its Sixth Committee, which had to consider whether the request was in order, whether the applicant was recognised *de jure* and *de facto* and possessed of a stable Government and fixed frontiers, whether the applicant was fully self-governing. The Committee also had to examine the acts and declarations of the Dominican Republic with regard to its international obligations and the regulations of the League concerning armaments.

In its report to the Assembly, the Sixth Committee found that the application was in order, that the majority of European and American States had diplomatic or consular representatives of San Domingo, that the Dominican Republic was an independent and sovereign State with a stable Government and fixed frontiers; and that the Government had formally declared that it was prepared to accept the conditions laid down in Article 1 of the Covenant and to fulfil all the obligations entailed by membership of the League.

The delegate of the Dominican Republic, Mr. Jacinto de Castro, who took his seat immediately after the roll-call, was invited to address the Assembly. Mr. de Castro said that this country, having recovered its autonomy, considered that its first international duty was to take its place as a member of the League and to co-operate in establishing peace on a solid basis. In acting thus, his Government was upheld by the constitution of the Republic, which provided for the arbitral settlement of international disputes.

## 2. — ELECTION OF THE NON-PERMANENT MEMBERS OF THE COUNCIL

On October 2nd the Assembly proceeded to the election of the six non-permanent Members of the Council.

Forty-seven States voted, the absolute majority being twenty-four. The Members elected were :

Uruguay . . . . .	43 votes
Brazil . . . . .	40 "
Czechoslovakia . . . . .	40 "
Sweden. . . . .	37 "
Spain. . . . .	36 "
Belgium . . . . .	34 "

## 3. — INTERNATIONAL ENGAGEMENTS

### a) *Amendment to Article XVI. of the Covenant* (1).

The Fifth Assembly had to consider a proposal of the British Government regarding an amendment to Article XVI. of the Covenant. The discussion of this question had been adjourned to it by the Fourth Assembly. The amended text adopted by the Fifth Assembly reads as follows :

Should any Member of the League resort to war in disregard of its covenants under Articles XII, XIII, or XV, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations and to prohibit all intercourse at least between persons resident within their territories and persons resident within the territory of the covenant-breaking State and if they deem it expedient, also between their nationals and the nationals of the covenant-breaking State, and to prevent all financial, commercial or personal intercourse at least between persons resident within the territory of that State and persons resident within the territory of any other State, whether a Member of the League or not, and if they deem it expedient, also between the nationals of that State and the nationals of any other State whether a Member of the League or not.

The original reads :

Should any Member of the League resort to war in disregard of its covenants under Articles XII, XIII, or XV, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial commercial, or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

The object of the proposal of the British Government was to provide a more definite criterion for the interruption of relations between individuals connected with the covenant-breaking State and individuals connected with other States. In the report to the Assembly it was stated that the principle of the proposal was the more readily welcomed in that a rigorous application of the economic and financial blockade contemplated by Article XVI. was a method of assuring conscientious respect of the obligations of the Covenant, which might make it possible to avoid recourse to force. The principle was calculated to remove all the obstacles which impeded ratification by certain Members of the League of the amendment of 1921.

(1) See Resolutions of the Assembly.

The British Government had also proposed an amendment to the second paragraph of Article XVI., consisting in the suppression of the words "in such case". The Assembly, taking into account that the draft protocol for the Pacific Settlement of International Disputes might entail important modifications of this Article, decided to adjourn to the Sixth Assembly the discussion of this question.

*b) Ratification of Amendments to the Covenant.*

On September 3rd the Government of Salvador deposited at the Secretariat the instruments of ratification of the amendments to Articles IV. (Election of the Non-Permanent Members of the Council) and VI. (Allocation of Expenses : last paragraph) of the Covenant, adopted by the second Assembly.

The Spanish Government deposited on September 26th the instruments of ratification of the amendments to Articles XII., XIII. and XV. of the Covenant (Pacific Settlement of Disputes).

This ratification completes the number of ratifications required under Article XXVI. of the Covenant for the entry in force of Articles XII., XIII. and XV.

*c) Registration of Treaties and International Engagements.*

More than seven hundred treaties and international engagements have been registered with the Secretariat of the League. The engagements presented for registration during September include the following :

The Treaty of Peace between the British Empire, France, Greece, Italy, Japan, the Serb-Croat-Slovene Kingdom, Roumania, and Turkey, signed at Lausanne on July 24th, 1923, presented for registration by the French Government;

The Straits Convention concluded by the British Empire, France, Italy, Japan, Bulgaria, Greece, Roumania, Russia, the Serb-Croat-Slovene Kingdom, and Turkey, signed at Lausanne on July 24th, 1923, presented for registration by the French Government;

The Convention on the Thracian Frontier concluded by the British Empire, France, Italy, Japan, Bulgaria, Greece, Roumania, the Serb-Croat-Slovene Kingdom, and Turkey, signed at Lausanne on July 24th, 1923, presented for registration by the French Government;

The Convention respecting Conditions of Residence, Business and Jurisdiction concluded by the British Empire, France, Italy, Japan, Greece, Roumania, the Serb-Croat-Slovene Kingdom, and Turkey, signed at Lausanne on July 24th, 1923, presented for registration by the French Government;

The Commercial Convention concluded by the British Empire, France, Italy, Japan, Greece, Roumania, the Serb-Croat-Slovene State, and Turkey, signed at Lausanne on July 24th, 1923, presented for registration by the French Government;

The Protocol relating to the Accession of Belgium and Portugal to Certain Provisions and Instruments signed at Lausanne and the Declarations of the said Powers, signed at Lausanne on July 24th, 1923, by the British Empire, France, Italy, Japan, Greece, Roumania, the Serb-Croat-Slovene Kingdom and Turkey, presented for registration by the French Government;

The Protocol relating to certain Concessions granted in the Ottoman Empire, signed at Lausanne on July 24th, 1923, by the British Empire, France, Italy, Greece, Roumania and Turkey, presented for registration by the French Government;

The Protocol relative to the Karagatch Territory and the Islands of Imbros and Tenedos, signed at Lausanne on July 24th, 1923, by the British Empire, France, Italy, Japan, Greece and Turkey, presented for registration by the French Government;

The Protocol relating to the Treaty concluded at Sèvres on August 10th, 1920, concerning the Protection of Minorities in Greece, and the Treaty concluded on the same day relating to Thrace, signed at Lausanne on July 24th, 1923, by the British Empire, France, Italy, Japan and Greece, presented for registration by the French Government;

The Treaty relating to Thrace, signed at Sèvres on August 10th, 1920, by the British Empire, France, Italy, Japan and Greece, presented for registration by the French Government;

The Treaty concerning the Protection of Minorities in Greece, concluded at Sèvres on August 10th, 1920, by the British Empire, France, Italy, Japan and Greece, presented for registration by the French Government;

A general Treaty of Arbitration between the Argentine Republic and Venezuela, signed on May 22nd, 1922, presented for registration by the Argentine Government;

A Convention relating to the institution of a Commission of Conciliation between Norway and Sweden, signed on June 27th 1924, at Stockholm, presented for registration by the Swedish Government;

A Treaty of Commerce and Navigation and three Exchanges of Notes relating thereto signed at Madrid on October 31st, 1922, by the British Empire and Spain, presented for registration by the British Government;

A Memorandum relating to the German population in the Mandated Territory of South West Africa, signed on October 23rd, 1923, by Germany and the South African Union, presented for registration by the British Government;

A Treaty of Commerce and Navigation with four Exchanges of Notes signed at Warsaw on November 26th, 1923, by the British Empire and Poland, presented for registration by the British Government;

An Exchange of Notes containing the ratification of the Protocol fixing the frontier between French Central Africa and the Anglo-Egyptian Soudan, signed at London on January 21st, 1924, by France and the British Empire, presented for registration by the British Government;

A Convention relating to the procedure of conciliation signed at Stockholm on June 27th, 1924, by Finland and Sweden, presented for registration by the Swedish Government.

#### *d) Signature of the Protocol of the Permanent Court of International Justice.*

The delegate of the Dominican Republic, on behalf of his Government, signed on September 30th the Protocol of the Statute of the Permanent Court of International Justice and the annexed Optional Clause, recognising the jurisdiction of the Court as defined in Article 36, § 2 of the Statute. The French Government signed the Protocol relating to the Optional Clause.

#### 4. — DEVELOPMENT OF INTERNATIONAL LAW (1)

A proposal to develop the co-operation of the League of Nations in the progressive codification of international law was laid before the Fifth Assembly by the Swedish Delegation.

At its meeting of September 22nd, the Assembly, considering that five years' experience had demonstrated the value of the services which the League could render in this domain, requested the Council to convene a committee of experts whose duty it would be to report to the Council on those subjects of international law that seemed ripe for regulation by international agreement.

It may be recalled that Conferences held under the auspices of the League have already drawn up important conventions with respect to communications and transit, the simplification of customs formalities, the recognition of arbitration clauses in commercial contracts, international labour legislation, the suppression of the traffic in women and children, the protection of minorities, etc.

Conferences with a view to the codification and development of international law have been held at The Hague (private international law) and in Belgium (maritime law).

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(1) See Resolutions of the Assembly.

## 5. — LEGAL ASSISTANCE FOR THE POOR <sup>(1)</sup>

The Assembly, on September 20th, after considering the Secretary-General's report on the question of international arrangements for legal assistance for the poor, adopted resolutions, the effect of which may be summarised as follows :—

(a) The possibility of further international arrangements to secure, on the basis of reciprocity, that poor aliens, whether resident in a particular country or not, shall be entitled on the same basis as nationals to such assistance in legal matters as is provided for the poor by the law of the country, is to be examined. The views of the various governments will be ascertained by enquiries addressed to them by the Secretary-General.

(b) Certain measures of publicity are contemplated with a view to enabling poor persons who have legal business to conduct in a foreign country to ascertain what facilities for obtaining advice and conducting proceedings may be open to them in the latter country. It is suggested with this object, that governments should appoint an authority or person to act as a centre of information, and the publication of a list showing the national and international organisations dealing with legal aid for the poor, and of a volume containing the relevant international agreements and the relevant laws and regulations of the various countries is authorised.

This question was brought before the Fourth Assembly by the Norwegian Delegation, whose attention had been drawn to the matter by representatives of the American Association of Legal Aid Organisations. The object of this initiative is to study the means of providing poor aliens with such assistance in matters of civil law as the legislation of the country in which they reside permits.

The subject of international legal aid is of interest not only to States Members of the League but also to non-Member States. The expenses of the Committee in August last were met by a grant of the National Conference of Legal Aid Societies of the United States out of the funds placed at its disposal by the Carnegie Foundation. An American jurist served on the Committee and important information from the Committee of the German Bar Association was furnished to the Committee of Experts by the German Consulate at Geneva.

## 6. — FINANCIAL QUESTIONS <sup>(2)</sup>

The Assembly passed the accounts of the League of Nations for 1923 and approved the budget for 1925, amounting to 22,658,138 gold francs (£898,383.16 s.; \$4,371,963) as compared with 23,328,686 gold francs (£924,970.14 s.; \$4,501,348) in 1923.

The expenditure is grouped under three heads : the Secretariat and Special Organisations, 12,217,334 gold francs (£484,411; \$2,357,375); the International Labour Organisation, 7,210,595 gold francs (£285,896.10 s.; \$1,391,308); the Permanent Court of International Justice 1,905,084 gold francs (£75,535.12 s.; \$367,592). A sum of 1,275,125 gold francs (£50,558; \$2,460,396) is allocated for capital expenditure and 50,000 gold francs (£19,824.15 s.; \$9,647) for the working capital fund.

The financial year 1923 closed with a net surplus of 2,774,854 gold francs (£110,021.11 s.; \$535,417). Part of this surplus, 1,635,274 gold francs (£64,837.14 s.; \$315,531), will be distributed to the Members of the League by way of refund of the temporary contribution to the working capital fund included in the budget for 1924. The remainder will be used to meet part of the cost of erecting the International Labour Office building.

(1) See Resolutions of the Assembly.

(2) See Resolutions of the Assembly.

The League's financial situation has made it possible to ante-date by eighteen months the final payment for the Secretariat building. The Assembly, moreover, decided to erect a conference hall on the site presented to the League by the Republic and Canton of Geneva and by the City of Geneva. The cost of building is estimated at 4,500,000 gold francs (\$178,422.15 s.; £868,290).

As in previous years, the Assembly considered the question of the allocation of the expenses of the League. It was decided that the provisional scale adopted by the Fourth Assembly should remain in force during 1925 and that the temporary rebate of twelve units given to Japan in 1924 should be maintained for 1925. The Assembly requested the Committee on the allocation of expenses to divide among Members the thirty-six or more units available owing to the Argentine Republic's resumption of payment and the accession of the Dominican Republic, in such a way as the Committee might consider equitable, taking into account the claims of Members for whom the existing allocation is a heavy charge.

The Assembly further requested the Committee to continue its researches with a view to preparing a fresh provisional scale to be submitted to the Assembly of 1925 and to come into force for a period to be determined.

## V. — Technical Organisations.

### 1. — THE HEALTH ORGANISATION (1)

The Assembly, on September 20th, approved the report of its Second Committee on the Health Organisation, presented by Dr. Caballero, Delegate of Paraguay, and passed a resolution expressing its gratification at the fact that the Organisation had been definitely constituted, in accordance with the scheme approved by the Fourth Assembly, and was doing valuable work in promoting co-operation between the various countries on questions of public health. The development of the Service of Epidemiological Intelligence and Public Health Statistics as well as the establishment of a Far Eastern Intelligence Office at Singapore with the aid of funds generously supplied by the Rockefeller Foundation were specially noted.

The Assembly expressed its appreciation of the results obtained from the system of interchanges of officials.

It noted the results obtained by the work on the standardisation of sera and biological products, and by the various special enquiries, such as the cancer investigation and the Malaria Commission in Eastern Europe, as well as the fact that the Health Committee had placed investigators and technical advisers on Public Health questions at the disposal of various Governments requesting such assistance.

The Assembly expressed the opinion that the Health Organisation was fulfilling the duties assigned to it under the Covenant. It recommended that the Organisation should take up the problem of physical education and investigate the means for its general extension on rational principles, as well as undertake an enquiry into the value of preventive measures against tuberculosis.

### 2. THE ECONOMIC AND FINANCIAL ORGANISATION

#### a) *The Financial reconstruction of Hungary* (2).

The question of the financial reconstruction of Hungary was discussed by the Council on August 30th. Mr. Comnene (Roumania), Mr. Koumanoudi (Kingdom

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(1) See Resolution of the Assembly.

(2) See Resolutions of the Assembly.

of the Serbs, Croats and Slovenes), Baron Koranyi (Hungary) and Mr. Jeremiah Smith, Commissioner-General of the League at Budapest, attended the meeting.

Mr. Smith passed in review the present situation in Hungary, and specially emphasised the fact that the Hungarian reconstruction loan had been successfully floated in eight different countries (Great Britain, Italy, United States, Holland, Hungary, Switzerland, Sweden and Czechoslovakia). The National Bank, he said, had opened its doors, the inflation had ceased and the programme of reforms had entered into operation. Mr. Smith added that he was confident there would be no obstacle to the successful execution of the reconstruction plan and to the balancing of the budget within the period fixed.

Baron Koranyi stated that Hungary was determined to carry to a successful issue a work begun under such favourable auspices, adding that the personal influence of the Commissioner-General had been an important factor in the satisfactory progress of the reconstruction scheme.

On the proposal of the British representative, the Council congratulated the Hungarian Government and the Commissioner-General on having successfully passed the first stage of the reconstruction scheme, expressing its confident hope that the work would be brought to a successful conclusion.

The Assembly, at its meeting of September 11th, dealt with the same question. Mr. Cavazzoni (Italy), reporting on the subject, drew attention to the results already obtained. The case of Hungary, he said, furnished a striking proof of what could be accomplished by means of international co-operation, the more so as it was the first case in which the possibility of blending the two opposing factors of reconstruction and reparation had been demonstrated.

Counth Bethlen, Prime Minister of Hungary, said that the work of the League of Nations in Hungary went far beyond the limits of financial reconstruction, and constituted an essential element in the consolidation of peace in Central Europe. Its action had succeeded, for the first time since the war, in bringing about a friendly co-operation among nations in that part of the world. It had contributed to a moral disarmament; brought about a relaxation of the system of the restriction and prohibition in trade; through the setting up of this plan more than a hundred outstanding questions between Hungary and her neighbours had been settled.

In brief, the restoration of Hungary by the League was an act of the highest political importance. Hungary was anxious to do something in return and, on behalf of his country, he offered the League of Nations the devoted collaboration of his government in the restoration of peace.

Sir Henry Strakosch pointed out how quickly and effectively the work had been carried out. In a little more than six months the whole scheme had been well started and the whole loan had been issued, and within less than three months more the machinery of the control was working smoothly. This achievement was not merely humanitarian, it was an essential factor in creating the true spirit of peace, by bringing about moral disarmament, which could only be achieved by restoring economic and financial order and a degree of comfort compatible with civilisation. In order to complete the work it was still necessary to secure unhindered exchange of goods and services between Hungary and her capital expenses.

The Assembly approved the work done with lively satisfaction, and a particular the following points : —

- (a) the improvement in political relations leading to beneficial results far beyond financial reconstruction;
- (b) the successful combination of re-establishment of sound public finance with an arrangement limiting and fixing reparation payments;
- (c) the necessity of supplementing the work of financial reconstruction by such international measures and agreements as will foster the resumption of free and normal trade relations.

Information from the Commissioner-General's office on the progress of the Hungarian reconstruction work in September fully confirms the prognostics of the August report, namely, that there is reasonable ground for confidence that the difference between receipts and expenditure during the second half of 1924 will be within the limits laid down by the reconstruction scheme.

The figures for revenue actually received from all sources during July and August were approximately 10 % in excess of the estimates in the monthly budgets. It will be remembered that the first quarter of the Hungarian fiscal year beginning on July 1st is a weak period financially, and that the second quarter is normally a good one. Thus the new Treasury arrangements, which are now working smoothly, making it possible to ascertain each month the approximate position as to receipts and expenditure, disclose an encouraging state of affairs.

The exchange has remained stable. The National Bank's returns show that the share capital has been paid up to within a fraction of one per cent, that the metal reserve has increased by nearly 20 % since the end of July, cover for the note circulation standing at over 54 % as compared with 20 % demanded by the Statutes. Gold coin and bullion constitute 24 3 % of the metal reserve.

*Pledged Revenues.* — The returns for August were in excess not only of those for July but also of those for June, which had so far been the record month. The receipts for these three months are more than sufficient to meet the service of the Reconstruction Loan for one year. The high August returns are due to increases in the customs receipts and in the yield of the sugar tax. The maintenance of the tobacco monopoly at a certain level is in itself an indication as to the nation's spending capacity.

*General Situation.* — The economic restoration of Hungary must logically be expected to advance at a slower rate than the financial reorganisation which aims ultimately at restoring the country to normal conditions. The balance of trade continues unfavourable, but imports and exports are increasing, and exports faster than imports. The prices of manufactured articles are still very high, the latest figures available show, however, a slight decrease in certain quarters. A general index number prepared on the basis of retail prices of food and commodities shows a decrease of about 5 % for September 15th as compared with July 31st.

Unemployment, as far as may be ascertained from the information available, appears not to have increased during the last two months.

The present period of transition from the old regime of prohibitions and licences to the application of a general tariff tempered by commercial arrangements with individual States is of necessity a trying one for business, and the Government is doing its best to hasten the setting up of the new system. Most favoured nation agreements have already been concluded with two of the States with which Hungary has the most active trade relations, the Serb-Croat-Slovene Kingdom and Roumania. Negotiations are in progress with other States, including Russia, where Hungary hopes to find an outlet for her agricultural machinery, an old established industry in this country. It is expected that the new tariff, which is being gradually introduced, will be generally in force in a couple of months.

#### b) *The Financial Reconstruction of Austria* (1).

Questions in connection with the financial reconstruction of Austria came before the Council on September 16th, when a joint report of the Financial Committee and the Commissioner-General was submitted on certain alterations to be made in the financial scheme drawn up in 1922. Monsignor Seipel, Chancellor

(1) See Resolutions of the Assembly.



of Austria, Dr. Grünberger, Austrian Minister of Foreign Affairs, Dr. Zimmerman, Commissioner-General of the League at Vienna, and Mr. Ter Meulen, Chairman of the Financial Committee, were present at the meeting.

As a result of negotiations between the Financial Committee and the Austrian Government which began at Vienna in August and continued during September at Geneva, an agreement had been drawn up, the main lines of which were contained in the joint report. In this document, the Financial Committee and the Commissioner-General recall that the position of Austria at the time of the League's intervention was critical. To-day, Austria is a State in which order is assured and calculations may be made for the future. The budget has been practically balanced, but at a far higher level than that contemplated in 1922. Once only, since the beginning of 1924, has the Austrian Government requested the Commissioner-General to place at its disposal from the residue of the loan a very moderate sum and this was to cover exceptional expenditure. It is, however, necessary to emphasise that the fact that the budget has been balanced is due rather to an unforeseen increase of revenue than to a reduction of expenditure.

As regards administrative reforms, substantial progress has been made, but a considerable effort is needed to bring the work of re-organisation to a successful conclusion.

In the economic field, the stability of the Austrian crown is the outstanding factor and has already had a favourable influence on the general situation. A serious banking crisis, due to excessive speculation in foreign exchanges, which made itself felt at the beginning of the current year, resulted in a general tightness of credit and the withdrawal of a considerable amount of foreign capital. Up to the present, the crisis does not appear to have affected the revenues from taxation; it is, however, too early to ascertain exactly its final results.

In these circumstances, the Commissioner-General and the Financial Committee, considering that satisfactory progress has been made in budgetary and administrative reforms, but that the economic situation still needs careful attention, have presented to the Council a series of proposals drawn up in agreement with the Austrian Government.

The Geneva Protocols of 1922 provide that the financial control of Austria shall continue until stability is assured. For this reason the proposals of the Financial Committee and the Commissioner-General contemplate, in the first place, a less rigorous control—while providing for its full re-establishment, if necessary—and, after this period of transition, its entire suppression. The modification and final suppression of the control depend on the budgetary equilibrium. The agreement provides for equilibrium at a considerably higher level than that originally fixed (495 million, plus 50 millions for investments, instead of 350 million gold crowns). Funds may be liberated by the Commissioner-General in so far as the Austrian Government may be unable itself to cover its expenditure, and in so far as its deficits do not exceed its expenditure on investments of a clearly productive character.

The Council approved the Agreement. On this occasion the Commissioner-General, Dr. Zimmerman, stated that the facilities granted to Austria would enable her to achieve more readily the complete and permanent consolidation of her financial situation and expressed the hope that the new regime might be applied without delay. In Dr. Zimmerman's opinion, a sound monetary policy, the pursuance of reforms, and the removal of the importation prohibitions affecting the freedom of trade and the prosperity of Central Europe are necessary in order to put an end to the shortage of credit in Austria.

Monsignor Seipel thanked the Financial Committee and the Commissioner-General for their report. In spite of the fact that its contents did not in all cases provide matter for congratulation, Monsignor Seipel was of opinion that it shewed that there was no valid reason to doubt the stability of the Austrian crown. Moreover, although it had not been possible to record that the goal fixed in 1922,

the balancing of the budget and the stabilising of the economic situation, had been attained, the report gives good reason to hope that this will before long be an accomplished fact.

The French, British, Czechoslovak, Spanish and Italian representatives noted with satisfaction the agreement concluded with the Austrian Government with regard to the level of budgetary equilibrium and financial control. The Council voted a resolution approving the agreement and the report of the Financial Committee and the Commissioner-General and expressing its hope that the decisions required before the system of budget control could be modified might be taken without delay by the Austrian authorities. As, the resolution continued, the Council desired to terminate the control of the budget as soon as was permitted by the conditions of Article 4 of Protocol III and by the responsibilities assumed under that Article to subscribers to the Austrian reconstruction loan, the Council hoped that the progress of the reforms and the economic situation would be such as to fulfil the conditions of the Agreement within the shortest period of time contemplated.

The Assembly noted the Agreement and recorded with satisfaction the progress made in the restoration of Austria.

*c) International Loan for Greek Refugees and other Work  
of the Financial Committee (1).*

On September 13th the Council dealt with the question of the settlement in Thrace and Macedonia of Greek refugees, and with that of an international loan (as contemplated in the Protocol of September 29th, 1923), the issue of which had been delayed on account of political circumstances and the general situation of the money market. M. Politis and M. Tsouderos, both delegates of Greece to the Assembly, represented the Greek Government at the meeting, which was also attended by M. Morgenthau and Mr. Campbell, Chairman and Vice-Chairman of the Greek Refugees Settlement Commission.

Mr. Morgenthau described the situation of the refugees as it had been on his arrival in Greece, and as it was at the present date after a year's hard work. He reviewed the various material and pecuniary difficulties with which the Commission had had to grapple.

During the past year the Commission has endeavoured, not only to settle the refugees on the land given for the purpose by the Greek Government, but also to promote the development of various industries with a view to enabling the refugees to become self-supporting. Tobacco growing has been started in several districts, and it is estimated that the oriental rug trade and the silk industry may become an important source of prosperity. Rural and urban colonies have been founded. Near Athens, 6,000 houses have been built.

In the opinion of Mr. Morgenthau, a loan of £10,000,000 is necessary in order to bring the work to a successful conclusion. Greece is prepared to participate to the extent of twenty five per cent, and ample and proper security is offered.

Mr. Tsouderos, the Greek Financial Minister, supplemented Mr. Morgenthau's statement by a brief survey of the financial and economic situation of Greece. Notwithstanding ten years of war, he said, Greece had been able to spend on the refugees eight million pounds, of which £1,500,000 had been obtained by means of an external loan. The situation of the budget was satisfactory. Revenues from taxation had exceeded the estimates, and the rate of exchange was improving. The settlement in Greece of several hundreds of thousands of workers belonging to a hardy and industrious race, although a heavy burden on the exchequer at the outset, would shortly develop into a source of revenue for the country. The inter-

(1) See Resolutions of the Assembly.

national loan of £10,000,000 sterling which the Government proposed to issue would be guaranteed by revenues of 750 million drachmas, a sum three times as large as that necessitated by the service of the loan.

On September 19th, the Council approved the amendments to the Protocol and the Statute of the Refugees Settlement Commission agreed upon by the Financial Committee, the Refugees Settlement Commission and the Greek Government. These amendments concern mainly the loan total, which had originally been fixed at £6,000,000, the loan securities, and the participation of Greece, which has been increased from £1,000,000 to £2,500,000.

The Assembly noted with satisfaction the progress made during the year in the work of settlement, and endorsed the opinion of the Council that the time had arrived when the whole scheme might be placed upon a definite financial basis by the issue of a long term loan of £10,000,000.

*Other work of the Financial Committee.* — In addition to the Hungarian and Austrian reconstruction schemes, the Financial Committee devoted special attention during the past year to the currency reform of the Free City of Danzig, and the study of the problems of double taxation and fiscal evasion. It continued the publication of memoranda on currency, central banks, public finance and the balance of payments and foreign trade.

The Assembly took note of this work and expressed the hope that the agreement of principle on double taxation reached by the experts would promptly be given definite form and applied on lines to be determined by the Council and the Financial Committee.

#### *d) Report on the Work of the Economic Committee (1).*

The Assembly at its meeting of September 26th approved the report on the work of the Economic Committee during the past year.

The work of the Economic Committee since the fourth Assembly may be grouped under three general headings: measures to ensure the practical application of the provisions of the Covenant with regard to the equitable treatment of commerce; investigation, in co-operation with the International Labour Office, of the causes and main features of economic crises; and the question of the unification of methods of economic statistics.

In connection with the equitable treatment of commerce, the Economic Committee convened for last November the general Conference for the Simplification of Customs Formalities, whose work was successfully terminated by the conclusion of an International Convention, signed up to the present by thirty-one States and ratified by six. The Committee also dealt with the question of unfair competition, the protection of the consumer against worthless goods and the treatment of foreign nationals and enterprises.

The Assembly recommended that the Council should request the Economic Committee to study the possibility and expediency of an agreement between Member and non-Member States of the League, with a view to the suppression of import and export prohibitions and restrictions, which constitute one of the most serious obstacles to the untrammelled development of international trade. An agreement of this kind would be within the scope of Article XXIII of the Covenant.

On September 29th, the Council, in pursuance of these recommendations, instructed the Economic Committee to proceed to the necessary studies.

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(1) See Resolutions of the Assembly.

### 3. — COMMUNICATIONS AND TRANSIT <sup>(1)</sup>

The Assembly approved the report of the Advisory and Technical Committee for Communications and Transit on the work accomplished since last Assembly.

The year's work began with the second General Conference on Communications and Transit which led up to the conclusion of four conventions: a general Convention on the International Regime of Railways, a general Convention on the International Regime of Maritime Ports, and two Conventions on Electric Questions.

At its first session after the General Conference, the Advisory and Technical Committee drew up its programme with a view to varying and specialising its work. Numerous sub-committees or special technical committees were set up, each specially qualified to deal with some branch of communications and having its own task (Sub-Committees for Railways, Inland Navigation, Ports and Maritime Navigation, Electric Questions; Special Committees on Road Traffic, Radio-telegraphic Questions, Calendar Reform; Technical Committees on Tonnage Measurement in Inland and Maritime Navigation, Lighting of Coasts, etc.).

The work already undertaken by the Sub-Committees on Inland Navigation and for Ports and Maritime Navigation holds out prospects of the conclusion of international agreements on the unification of tonnage measurement in inland navigation, and on the standardisation of maritime signals.

The Organisation for Communications and Transit having thus, in conformity with the treaties of peace, drawn up the chief conventions dealing with matters of principle, is now pursuing its work as regards the details of their application, in full agreement with the technical authorities concerned. At the second General Conference, the Railways Convention was drawn up with the collaboration of representatives of the International Chamber of Commerce and of the International Union of Railways. The Sub-Committee for Inland Navigation is co-operating with the Permanent International Association of Navigation Congresses, and the Sub-Committee for Maritime Navigation is working in close contact with the International Shipping Conference.

Thus, all overlapping is avoided and the Organisation for Communications and Transit is becoming a central clearing-house for the general investigation of inter-State transport problems. In this way, it is in a position to fulfil successfully one of the principal duties assigned to it in the Rules of Organisation drawn up at the *Barcelona Conference* and in various resolutions of the Assembly: that of acting as an organ of conciliation in the settlement of inter-State transport disputes. Disputes in connexion with the application of articles of the treaties of peace concerning the Oder and the statutes of the European Danube Commission have been referred to the Transit organisation.

The Assembly, having noted the report on the work of the Committee during the past year and its programme for the coming year, drew the attention of the Council to the urgency of giving effect to a proposal already submitted for a revision of the London Convention of 1912 on Wireless Telegraphy, in view of the development of radio-telephony. The Assembly further recommended that States Members should grant to Esperanto the treatment and charges in force for languages *en clair* in telegraphic and radio-telegraphic communications.

### 4. — INTELLECTUAL CO-OPERATION <sup>(2)</sup>

During the past year the Committee on Intellectual Co-operation paid special attention to the development of its net-work of National Committees. As a result

(1) See Resolutions of the Assembly.

(2) See Resolutions of the Assembly.

of the first direct contact between the Central Committee and the National Committees, the Central Committee heard accounts of the sufferings of intellectual workers in certain countries direct from the interested parties, and was able in some cases to give help.

Important results were obtained by the Committee in the organisation of intellectual work, for example, in the directions of bibliography and the exchange of publications. The Committee also continued its study of the protection of scientific property.

With regard to inter-university relations the Committee dealt with the question of the equivalent values of diplomas and the coordination of the courses in different universities, and it endeavoured to facilitate exchanges among professors and students. The International University Information Office, founded by the Committee, and its organ, the Quarterly Bulletin, have already rendered service in the university world.

The work of the Committee formed the subject of discussion both by the Council and by the Assembly during the month of September, and various measures were approved bringing into force the resolutions of the Committee and tracing the main line of work for the following year. The Council authorised the Committee to summon two meetings of experts: one, to take place after consultation with the Economic Committee, on various problems raised in connection with the question of scientific property; the other on the coordination of the bibliography of the economic sciences. The draft Agreement with the International Institute of Bibliography was approved by the Council and by the Assembly.

All States, whether signatories or not of the Convention of 1886 on the exchange of official publications, will be invited to consider the possibility of accepting the new Convention for the exchange of scientific and literary publications drawn up by a Committee of Experts and approved by the Council. The States will also be urged to carry out the resolutions passed by the Committee on Intellectual Co-operation for facilitating inter-university relations.

The Section of the Secretariat for International Bureaux was asked by the Council to open a register for international associations and institutions of a social, scientific, artistic or literary nature.

The Assembly instructed the Committee on Intellectual Co-operation to take the necessary steps for the launching of an appeal in favour of Hungarian intellectual institutions, similar to the appeal made last year in favour of Austria, and to consider a proposal from Roumania, concerning a scheme for a loan to be used for intellectual purposes.

### *Foundation of an International Institute of Intellectual Co-operation.*

The French Government, appreciating the difficulty experienced by the Committee, due to a lack of funds, in exercising an active influence and carrying out the work entrusted to it; and in response to a request for support made by the Committee, offered to place at its disposal a subsidised Institute, which the Committee would itself organise. The Council accepted this offer in principle on September 9th and asked the Assembly for its opinion on three specific points: the functions of the new Institute; the administrative and legal conditions governing the work; and the relations between the proposed Institute and existing international institutes of an intellectual order, such as the Union of International Associations, the International Office of Bibliography, the International Council of Research, the International Academic Union, which are established at Brussels and whose autonomy must be maintained.

While warmly expressing its sense of the generosity of the French Government, the Assembly did not fail to examine minutely all the points to which the Council had drawn its attention, in order that the international character of the Institute

might be safeguarded. This Institute, which will be organised in conformity with the principles laid down by the Committee on Intellectual Co-operation, must avoid duplicate labour, and, in its work and choice of staff, it must be absolutely international. Its administration will be entrusted to the Committee on Intellectual Co-operation, which will have the right to delegate its powers to a group of persons of various nationalities elected either from the members of the Committee or outside it. This special Committee will meet at least once every two months and will direct the Institute according to the wishes of the Committee on Intellectual Co-operation.

The relations between this new foundation and the institutions mentioned in the Council's resolution, or any other similar institutions, will be determined by the Committee on Intellectual Co-operation after consultation and in agreement with the parties concerned.

### *Foundation of an International Institute for the Unification of Private Law.*

During the Assembly the Italian Government offered to found at Rome an International Institute for the Unification of Private Law and to allocate for its maintenance a yearly sum of a million lire.

The Assembly expressed its deepest gratitude to the Italian Government and recommended the Council to accept this offer, the general principles of the foundation to be analogous to those laid down in connection with the International Institute for Intellectual Co-operation.

## VI. — Administrative Questions.

### 1. — THE SAAR

#### *a) Presence of French Troops and Development of Local Gendarmerie.*

The Council, on September 19th, considered communications from the German Government, as well as from the Saar Governing Commission, on this question. M. Rault, who was present at the meeting, reviewed the situation; he stated that he intended to propose that 500 new gendarmes be enrolled during the year 1925/26, and that this would doubtless allow of the withdrawal of a part of the French garrison. The British Representative said that the information furnished by the Chairman of the Governing Commission was entirely satisfactory. The French Representative stated that his Government was ready to co-operate in all measures to carry out the wishes of the Council.

The Council then approved a report by M. Salandra on the whole subject. In this report, information was requested as to all the police forces in the Territory (Municipal and Communal Police, frontier patrols, etc.,) available for duty, either under ordinary circumstances, or in case of emergency. Moreover, in view of the difficulties and disadvantages in recruiting and paying for a large number of full-time gendarmes, it was suggested that the Governing Commission would perhaps consider the desirability and possibility of constituting a part of the necessary force of gendarmes as a reserve body.

#### *b) Control of Goods imported from Germany into the Territory.*

On the same day, the Council, taking note of the intention of the Governing Commission to act in a liberal spirit, and of the fact that the Commission

had power, under the Treaty, to decide the question, expressed its conviction that the Commission would give the largest possible interpretation to the stipulations concerning the entry into the Saar Territory, up to January 10th, 1925, of German goods free of import duties.

### c) *Public Education in the Territory.*

The Council postponed to its next session the consideration of communications from the German Government and from the Governing Commission, dealing in particular with the French schools in the Territory.

### d) *Death of Colonel Espinosa.—Appointment of M. Vezensky to the Commission.*

At the beginning of its thirtieth session, the Council paid a tribute to the memory of Colonel Espinosa de los Monteros (Spaniard), Member of the Governing Commission in charge of the Departments of Justice, Education and Public Worship, who died suddenly on August 21st, 1924.

On September 30th, 1924, the Council appointed M. Vezensky (Czechoslovak) to fill the vacancy on the Commission. M. Vezensky has, for the past three years, been a judge on the Supreme Court of the Saar Territory, at Saarlouis.

## 2. — MANDATES

### a) *Work of the Permanent Mandates Commission.*

On August 29th the Council took note of the work of the fourth session of the Permanent Mandates Commission <sup>(1)</sup>, and expressed its satisfaction that the territories under mandate, the administration of which forms the object of the reports examined by the Commission, are in general governed in conformity with the spirit and the letter of Article XXII. of the Covenant and of the terms of the Mandates.

#### *Equalisation of import duties on alcoholic liquors in certain mandated territories.*

— The Council noted the decision of the Governments of France and Great Britain to enter into direct negotiations regarding the readjustment of the tariffs and customs systems in the neighbouring territories of the British and French Cameroons and Togoland, in order that the trade in spirituous liquors might be successfully combated. It expressed the hope that these negotiations would lead to an understanding between the two mandatory powers.

*Frontier between the French and British Cameroons and between French and British Togoland.* — The Council noted the decision of the French Government to bring about, in agreement with the British Government, certain rectifications in the frontier between the French and British Cameroons, and asked the British Government to give its views on the subject of the rectification of the frontier between British and French Togoland.

*Military recruiting.* — The Council noted the statements of the British and French Governments on the recruiting of inhabitants of mandated areas, and requested the other mandatory Powers also to make known their views on the subject <sup>(2)</sup>.

(1) See *Monthly Summary*, Vol. IV, No. 7, p. 143.

(2) See *Monthly Summary*, Vol. IV, No. 7, p. 144.

*Loans, advances and investment of private capital.* — The Council requested those mandatory Powers which had not yet made known their views on the suggestions submitted by the Mandates Commission to do so as soon as possible, in particular, whether they considered that the Council could take any useful action towards assisting the development of the mandated areas by encouraging the investment of private capital.

*Traffic in spirituous liquors.* — The Council drew, the attention of the mandatory Powers to the resolution of the Mandates Commission on the expediency of adopting a more precise definition of the terms used in the Covenant and in the Convention of Saint-Germain on the subject of the traffic in spirituous liquors, and requested the Mandatories to communicate their views on the subject.

*Disputed territory on the northern frontier of South-West Africa.* — The Council requested the Portuguese Government to make known its views on the advisability of concluding as soon as possible an agreement with the British Government in order to abolish the contested zone between Angola and the mandated territory of South-West Africa.

The Assembly took note of the work of the Permanent Mandates Commission during the past year, and thanked the Commission for the zeal, competence and impartiality with which it had discharged its task.

#### b) *A proposed Australian loan to the Administration of New Guinea.*

At its meeting of September 25th the Council had before it a communication from the Australian Government, stating that Australia, in her capacity of Mandatory, proposed to grant to the Administration of New Guinea a loan of £67,000.

Sir Littleton Groom, representative of Australia, explained that his Government considered that it was wise and proper to submit the project to the Council, and, if possible, obtain its sanction.

Viscount Ishii (Japan) and Lord Parmoor (Great Britain), while pointing out that the procedure of the Australian Government was both wise and courteous, observed that it was not the role of the Council to concern itself with questions of the internal administration of mandated territories and that it could, therefore, neither sanction nor reject the proposed loan.

The Council, therefore, decided to note and raise no objection to the proposed loan adding that its decision in this particular case did not prejudice in any way an ulterior decision on the general question submitted by the Permanent Mandates Commission in July 1923 regarding loans in mandated territories.

### 3. — THE BRITISH MANDATE FOR IRAQ

On September 27th, the Council, on the report of M. Branting, the representative of Sweden, unanimously approved the terms of a communication from the British Government as giving effect to Article XXII of the Covenant, with regard to the British Mandate for Iraq.

According to the terms of this communication the British Government assumes towards all members of the League responsibility for the fulfilment by Iraq of the provisions of the Treaty of Alliance between Great Britain and Iraq <sup>(1)</sup>.

The British Government will submit an annual report to the Council on the steps taken in Iraq to carry out the terms of the Treaty of Alliance. The British

(1) See *Monthly Summary*, October, 1922, p. 263, and June, 1924, p. 119.



Government will not agree to any modification of the terms of this Treaty without the consent of the Council. It undertakes to submit to the Permanent Court of International Justice any dispute between itself and any other Member of the League as to the application or interpretation of the Treaty of Alliance, if this difference cannot be settled by negotiation. The various obligations assumed by the British Government will come to an end if, and when, Iraq is admitted to the League.

When the period for which the Treaty of Alliance has been concluded comes to an end the Council will be invited, if Iraq has not yet been admitted to the League, to decide what further measures should be taken for giving effect to Article XXII. of the Covenant.

At the same meeting the Council considered a letter from the Persian Government asking it to recommend to the British Government that the judicial regime applicable under the Anglo-Iraq Treaty to the nationals of certain European states, of the United States and of Japan, should also be applied to Persians. Prince Arfa-ed-Dowleh, the representative of Persia, explained the Persian point of view to the Council.

At the proposal of the Rapporteur, M. Branting, the Council took note of a statement by Lord Parmoor, the representative of Great Britain, to the effect that the British Government would encourage negotiations on this question between the Iraq and Persian Governments. The Council expressed its hope that agreement would soon be reached on this point.

## VII. — Protection of Minorities.

### 1. — THE ACQUISITION OF POLISH NATIONALITY

The Council, on September 19th, noted that an agreement had been reached by the German and Polish Governments on the subject of the acquisition of Polish nationality. The Polish representative, Mr. Skrzynski, who attended the meeting, voiced the satisfaction of his Government that the various questions in connection with the problem of the acquisition of Polish nationality had been finally settled by means of a convention negotiated directly between Germany and Poland. The British representative drew attention to the fact that this question demonstrated the possibility of obtaining the successful settlement of a difficult problem through the agency of the Council.

The negotiations, which took place under the chairmanship of Mr. Kaeckenbeeck, President of the Upper Silesian Arbitral Tribunal, were terminated by an agreement between the two Governments concerned, whose representatives signed a Convention on August 30th last.

### 2. — MOSLEMS OF ALBANIAN ORIGIN IN GREECE

At the request of the Albanian Government, the Council considered at its thirtieth session the question whether the Greek Government was loyally carrying out the undertaking entered into at the Lausanne Conference, not to include in the compulsory exchange of Greek and Turkish populations, Greek Moslems of Albanian origin.

On September 29th, the Albanian representative, Monsignor Fan Noli, made a statement to the Council to the effect that the execution of the Greco-Turkish Convention for the Exchange of Populations would have produced results contrary to the undertaking given by the Greek Government at Lausanne.

The Greek representative, M. Politis, declared that the undertaking given by his Government at Lausanne was and would be loyally and fully carried out, but that this undertaking did not create a juridical obligation between his Government and the Albanian Government, adding that his Government considered that the question whether the Albanian minority in Greece was treated in conformity with the engagements binding Greece with regard to this subject, was a question of minorities, and as such should be dealt with as between the Greek Government and the Council. The Greek representative further made known that his Government was ready to accept any suggestion the Council might see fit to make and eventually to accept the supervision of the League.

On September 30th, the Council, after hearing the report of M. Quinones de Leon (Spain) decided to treat the matter as a question of the application of the Greek Treaty for the Protection of Minorities which came into force on August 6th last. It instructed the rapporteur to collect all information required to enable him to submit a report upon the question at the next session of the Council, and requested the Greek Government to take the necessary measures to avoid creating any *fait accompli* which might prejudice the final solution of the affair.

Monsignor Fan Noli said that he hoped that this decision would help Greece and Albania to improve their relations and to draw closer the ties of friendship uniting the two peoples.

M. Politis stated that nothing would give his Government more pleasure than the establishment not only of neighbourly relations but of friendly relations and of confident co-operation with Albania.

### 3. — MINORITIES IN BULGARIA AND GREECE

On September 29th, the Council, on the report of Professor Gilbert Murray (Great Britain), accepted the proposals of Mr. Kalfoff (Bulgaria), Minister for Foreign Affairs, with regard to the protection of Greek minorities in Bulgaria, and the proposals of Mr. Politis (Greece) with regard to the protection of Bulgarian minorities in Greece.

The main purpose of these proposals, which have been embodied in two protocols, one for Bulgaria, and one for Greece, is to appoint two members of the Greco-Bulgarian Mixed Emigration Commission, Colonel Corfe and Mr. de Roover, as special representatives of the League of Nations, to assist the Bulgarian and Greek Governments in their efforts to ensure equitable treatment to Greek minorities in Bulgaria and Bulgarian minorities in Greece, in accordance with the Treaty.

Colonel Corfe and Mr. de Roover will act as an advisory body. They will be entitled to advise the Bulgarian and Greek Governments as to the rapid execution of the provisions of the treaties concerning the protection of minorities. For this purpose, they will undertake on the spot an enquiry into the needs of persons belonging to the minorities, especially with regard to education and public worship, and they will jointly submit to the Government concerned reports on the measures to be taken.

They will be at liberty to collect any information which may seem to them desirable or helpful in their work. The representative of the Government concerned on the Mixed Emigration Commission will be bound to assist them in their work by all the means at his disposal and will receive instructions and full powers for this purpose from his Government.

Colonel Corfe and Mr. de Roover will also be entitled to receive individual or collective petitions from persons belonging to the minority in question, who consider that the rights accorded to them under the Treaty have been infringed. These petitions must be directed towards the protection of the minorities in conformity with the Treaty, and must not be aimed at the sovereignty of the State.

The petitions must come from a clearly known and established source and must not be written in violent language.

After examination of each petition, Colonel Corfe and Mr. de Roover will give their joint opinion as to the manner in which the matter can be settled, in accordance with the stipulations of the Treaty and taking into consideration the methods of recourse, whether judicial or administrative, open to the petitioners in the country concerned.

This opinion will be forwarded to the member of the Mixed Commission representing the Government concerned, and he will endeavour to settle the matter on the spot—for which purpose he will receive instructions and full powers from his Government. If he cannot settle the matter on the spot he will send the opinion to his Government, which will inform Colonel Corfe and Mr. de Roover as quickly as possible of his decision.

This procedure will not in any way affect the procedure established by the Council of the League of Nations with regard to minority petitions.

Colonel Corfe and Mr. de Roover will be required to submit to the League, under whose guarantee the stipulations of the Minority Treaties are placed, a detailed report every six months on their work in connection with the present scheme.

A comparison may be made between the proposals of the Greek and Bulgarian Governments and a suggestion, submitted to the Third Assembly by Professor Gilbert Murray, that cases might arise in which the presence of resident representatives of the League might have a beneficent effect as regards minorities matters, and that the Council might consider the desirability of employing such representatives, with the consent of the Government concerned. The Assembly recognised the force of this argument and placed it on record, but, considering the variety of contingencies which might have to be met, and the discretionary powers of the Council for meeting them, thought best not to embody the suggestion in a definite resolution. In the case in point, the interested Governments have on their own initiative submitted definite proposals to the Council.

Professor Gilbert Murray (Great Britain) expressed his deep satisfaction as regards the initiative of the Bulgarian and Greek Governments which, he believed, would be the source of considerable moral and material advantages for both countries.

Mr. Politis (Greece) said that the Agreement marked a real step forward and that Mr. Kalfoff and he himself had found that, in the quiet and peaceful atmosphere of the League of Nations, things could be done which seemed almost impossible to the outside observer.

The two protocols were signed at the meeting by the Greek and Bulgarian representatives respectively and by the President of the Council and the Secretary-General of the League.

#### 4. — MINORITIES IN GREECE AND TURKEY

On the proposal of Mr. de Mello Franco (Brazil), the Council, on September 26th, decided that the provisions contained in Articles 1 to 15 of the Treaty of Sèvres, relating to the protection of minorities and in Articles 37 to 43 of the Treaty of Lausanne, in so far as they affected minorities in Greece and Turkey, should be placed under the guarantee of the League of Nations.

By Article 16 of the Treaty of Sèvres and Article 44 of the Treaty of Lausanne respectively, Greece and Turkey recognise that the provisions of the foregoing Articles constitute obligations of international concern to be placed under the guarantee of the League of Nations.

## VIII. — Political Questions.

### 1. — THE FRONTIER BETWEEN TURKEY AND IRAQ

The question of the frontier between Turkey and Iraq, which had been brought before the Council at the request of the British Government, in virtue of Article 3 § 2 of the Treaty of Lausanne, was dealt with by the Council in several public meetings. Turkey was represented at these debates by Fethy Bey.

The proceedings opened with statements by both parties. The Council then endeavoured to determine the exact scope of the question under reference, the area of its own jurisdiction and questions of procedure. These discussions took place in the presence of, and in agreement with, the representatives of the parties.

At a public meeting on September 20th, the British and Turkish representatives explained to the Council the points of view of their respective Governments.

Lord Parmoor, who observed that Great Britain and Turkey were before the Council on a footing of absolute equality, drew attention to the fact that his Government held the view that the Vilayet of Mosul should form part of Iraq, and that the question before the Council was whether the northern frontier-line of the Kingdom should coincide with the administrative boundary of the Vilayet subject to certain rectifications based on ethnical, economic or military considerations, which, in the opinion of his Government, would involve the displacement of the frontier towards the north. Lord Parmoor stated further that his Government considered that the Council would act as arbitrator in the settlement of this question. He emphasised the various objections to a plebiscite and suggested that the Council should appoint a Commission of disinterested experts to settle the dispute after studying the documents and collecting any further evidence they might consider necessary.

In his statement to the Council, Fethy Bey explained that his Government contended that the question at issue was whether the Mosul Vilayet should be attributed to Turkey or to Iraq; in the former case, the frontier line would pass south of the Vilayet, in the latter, the boundary would be to the north of the Vilayet. He declared, on behalf of his Government, that the Mosul Vilayet was an integral part of Turkey, bringing forward geographical, economic, ethnical and military arguments in support of his contention. He further stated that the Turkish Government proposed that the dispute should be settled by means of a plebiscite. At a public meeting on September 25th, Fethy Bey declared that his Government recognised the authority of the Council under Article XV. of the Covenant.

As these statements shewed a considerable difference of opinion as to the question before the Council and the jurisdiction of that body, the Council, before considering the procedure to be adopted, instructed the Rapporteur, Mr. Branting, to elucidate, with the assistance of the parties, how the British and Turkish delegates understood the reference to the Council provided for in Article 3 of the Treaty of Lausanne; and whether the duty of the Council was limited strictly to the mere choice between two opposing conceptions or whether it might seek any other solutions it considered equitable.

After conversations with the representatives of the parties the Rapporteur was able to ascertain that the divergence of their views was not so great as had at first appeared. Lord Parmoor reiterated a declaration to the effect that his Government accepted in advance the Council's decision with regard to the frontier between Turkey and Iraq, observing that the problem before the Council was to find the most suitable frontier. The British Government had already indicated where, in its opinion, this should be drawn, but the undertaking to abide by an eventual decision of the Council showed that the British Government fully recognised the

right of the Council to draw the frontier between Turkey and Iraq along any line this body might adopt, after due investigation and consideration.

Fethy Bey made a statement to the effect that he agreed to the question being submitted in the form indicated by Lord Parmoor, and that he would be prepared to give an undertaking, on behalf of his Government, to accept in advance the Council's decision. He added that he was convinced that the Council would base its decision in the first place on the wishes of the inhabitants of the region.

On the proposal of Mr. Branting, the Council, after noting these testaments, decided, at its meeting of September 30th, to appoint a special Commission of three members to collect the facts and data required for the fulfilment of its mission. The duty of this Commission will be to lay before the Council all information and suggestions which may be of a nature to assist it in reaching a decision. It will give due consideration to existing documents and to the views expressed by the interested parties both as regards the procedure and the substance of the question. It will receive all communications the parties may wish to transmit to it. It may proceed to investigations on the spot and, in that case, may avail itself of the services of advisers appointed respectively by each of the Governments concerned.

The Acting President of the Council and the Rapporteur, Mr. Branting, were instructed to appoint by common agreement the members of the Commission.

Complaints having been made to the Council by both parties with regard to recent frontier incidents, the Council urged the Governments concerned to use all the weight of their authority in order to restore and maintain peace on both sides of the so-called *status quo* line in accordance with the reciprocal undertaking contained in Article 3 of the Lausanne Treaty. The representatives of the British and Turkish Governments assured the Council that, pending the decision to be reached on the subject of the frontier, no military or other movement should take place which might modify in any way the present state of the territories whose final fate depended on the decision.

## 2. — THE FRONTIERS OF ALBANIA

At its meeting of September 25th, the Council took note of a communication of Monsignor Fan Noli, Prime Minister of Albania, on the subject of the Albanian frontiers. Monsignor Fan Noli drew attention to the fact that three years had elapsed since the Assembly adopted its resolution with regard to the Albanian frontiers, but the delimitation of these frontiers had not yet been completed by the Conference of Ambassadors, the competent body.

The Council decided to request the members of the Council whose countries are also represented on the Conference of Ambassadors to draw the attention of their Governments to the question.

## 3. — SITUATION IN GEORGIA

The Assembly had before it a proposal of the Belgian, British and French Delegations tending to renew the resolution adopted in 1922 by the Therd Assembly regarding Georgia. By this resolution the Council had been invited to follow attentively the course of events in that part of the world, with a view to seizing any opportunity that might occur to help in the restoration of Georgia to normal conditions by any peaceful means in accordance with the rules of international law.

The Assembly adopted a report presented by the Sixth Committee reiterating the above resolution in view of the fact that the main features of the situation remained unaltered. The hope was expressed that the Governments of the States Members of the League might be able to assist the Council with information, or in some other form.

## IX. — Social and Humanitarian Questions.

### 1. — REFUGEES <sup>(1)</sup>

The Assembly, which last year requested the High Commissioner for the League of Nations to continue his work for the benefit of the Armenian, Greek and Russian refugees, took note, on September 27th, of the progress made during the year, and of what still remained to be done. It paid a tribute to the devotion with which Dr. Nansen had worked, and expressed its thanks for the wonderful results he had achieved in spite of the limited means at his disposal.

The Assembly decided to transfer to the International Labour Office, subject to the consent of its Governing Body, the task of completing the work undertaken by the High Commissioner. For this purpose, it placed at the disposal of the International Labour Office a sum of 203,000 francs specially set aside for the administrative work required for the establishment of the Russian and Armenian refugees during 1925. At the present moment 1,500,000 Russian and over 300,000 Armenian refugees are scattered throughout Europe and the Far East. Of these 500,000 are calculated to be persons able to work, but without employment because of the general economic depression. In spite of the progress made, the problem of the Russian refugees remains serious, and emigration and repatriation appear to be the two best methods of coping with the situation.

The International Labour Office, which has a special department for emigration questions, is obviously the organisation best adapted for this part of the work. As regards repatriation, negotiations were entered into with the Soviet Government, with a view to constituting, in the countries where the refugees are living, Mixed Commissions made up of representatives of the country in question, the Socialist Soviet republics and the High Commissariat of the League. The purpose of these Commissions is to enable the refugees to return to their own country.

At the present moment thirty-four Governments have adopted the system of identity certificates recommended by the High Commissioner. Certain of these have also spent large sums on the support and instruction of the refugees. For instance, Czechoslovakia and the Kingdom of the Serbs, Croats and Slovenes have allowed 20,000,000 francs a year for this purpose, and the Bulgarian Government has spent 500,000 levas a month on the same work. The High Commissioner's office has helped with the establishment of schools and lectures for the refugees in Germany.

*Settlement of Armenian Refugees in the Caucasus.* — As a result of the retreat of the Greek armies from Asia Minor, 120,000 Armenian refugees arrived in Greece. Of these 65,000 are being supported by the Greek Government, which, owing to the great difficulty it already has in relieving the distress of its own people in the same plight, does not wish to exceed the 70,000,000 drachma it has already spent on the Armenian refugees and has therefore asked the Council to take measures to procure for them a national home in the Caucasus.

The Assembly considered it impossible to take a decision without thorough and impartial study of the subject. As the question of the Armenian refugees is, however, in many ways similar to that of the Russian refugees, it invited the International Labour Office to conduct, in collaboration with Dr. Nansen, an enquiry as to the possibilities of providing a settlement for the Armenian refugees. For this purpose it voted a supplementary credit of 50,000 francs for the refugee budget for 1925. It emphasised the necessity for giving the Armenians all possible help

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(1) See Resolutions of the Assembly.

in finding productive employment and in safeguarding their national existence, and it asked those States which were able to assist them to continue to do so until an Armenian national home might be established.

Finally, as a result of a statement of the representative of Greece regarding confiscations made in certain banks to the detriment of Armenian and Greek refugees, the Assembly requested the Council to make a careful enquiry into the facts of the question.

## 2. — TRAFFIC IN WOMEN AND CHILDREN <sup>(1)</sup>

The Assembly approved the report of the work accomplished during the year 1923-1924 by the Advisory Committee on Traffic in Women and Children. It regretted the fact that so few States had so far ratified the International Convention of 1921 and recommended that the others should be asked to give the reason for their not doing so. It also approved the endeavour of the Committee to make a comprehensive collection of the various national laws and regulations against the Traffic and encouraged the appointment in every country of Central Authorities on the subject. Finally it requested the Advisory Committee to continue its study regarding some aspects of the system of licensed houses in the light of any further replies which it may receive from Governments.

## 3. — PROTECTION OF WOMEN AND CHILDREN IN THE NEAR EAST <sup>(2)</sup>

The Assembly had before it the Reports of the League of Nations Commission for the Protection of Women and Children in the Near East.

The Report prepared by the Chairman, Dr. Kennedy, shows that, at the League of Nations Home in Constantinople, about 1,300 children and 1,000 women have been helped, irrespective of nationality or creed, and that a number of these have been enabled to emigrate to America. Miss Jeppe's Report, from the Aleppo centre, shows that increasing numbers of women and children are received at the Home and that the means of finding their relatives have been improved. The arrangements for their employment have also improved and Miss Jeppe hopes, in the near future, to establish, with the assistance of the French and Arab authorities, an agricultural settlement that will make the rescue work practically self-supporting.

The Assembly expressed its great appreciation of the work done by Dr. Kennedy and the rest of the Commission and granted a further sum of 75,000 francs for its continuance in 1925.

## 4. — PROTECTION OF CHILDREN <sup>(3)</sup>

The Assembly ratified the decision taken by the Council last March that the work hitherto carried out by the International Association for the Protection of Children should henceforth be entrusted to the Secretariat of the League of Nations. This work consists chiefly of the study of questions of hygiene and law in so far as they affect the moral and physical welfare of children. The methods and experiences of different countries will be compared, an exchange of views between the various officials and experts facilitated, and such international cooperation as may help the Governments in dealing with problems of child welfare will be encouraged.

The Council is therefore asked to reconstitute the Advisory Committee on Traffic in Women and Children under a new and more comprehensive name. The new Committee will have one group of Government representatives and two groups

(1) See *Monthly Summary*, Vol. IV, No. 4, p. 82, and Resolutions of the Assembly.

(2) See *Monthly Summary*, Vol. III, No. 9, p. 222, and Resolutions of the Assembly.

(3) See *Monthly Summary*, Vol. IV, No. 3, p. 70, and Resolutions of the Assembly.

of assessors, one group to be summoned when questions relating to the traffic in women is discussed, the other when the promotion of child welfare is under consideration. The Assembly has recommended that the assessors belonging to the latter category should include persons qualified to act as representatives of the principal private organisations dealing with the protection of children, in particular of the newly constituted voluntary Association for the Protection of Children.

It is also recommended that the Health Organisation of the League should be invited to consider any practicable measures within its scope for the promotion of the physical well-being of children.

The Assembly endorsed the Declaration of Geneva, which declares that the child must be given all opportunities for material and spiritual development, that it is entitled to be fed, clothed, taught to work and protected against exploitation. On the occasion of its acceptance, the President of the Assembly pointed out that the League had thereby made the Declaration its Charter of Child Welfare.

## 5. — TRAFFIC IN OPIUM

On August 29th the Council adopted the report on the sixth session of the Advisory Committee on the Traffic in Opium and other Dangerous Drugs <sup>(1)</sup>. It instructed the Secretary-General to request Powers possessing extra-territorial rights in China to take measures to control, by means of suitable regulations and penalties, the trade in narcotics carried on by their nationals in that country. It also instructed the Secretary-General to invite Governments to furnish the League of Nations with information on the production and use of Indian hemp in their territories and to give their opinion on a proposal made by the Union of South Africa that Indian hemp should be treated as one of the habit-forming drugs.

At a later meeting the Council decided to ask Mr. Zahle (Denmark) to preside at the General Conference on the limitation of the production of opium and coca leaves and of the manufacture of narcotics, which is to be held in November in Geneva.

The preparatory work for this Conference and also for the earlier one on the suppression of opium-smoking in the Far East was brought to the notice of the Fifth Assembly, which expressed its satisfaction with the progress made and approved the report of the Advisory Committee. It recommended, now that Switzerland had ratified the Opium Convention of 1912, that the Swiss Government should, as soon as Switzerland had taken the necessary steps to give effect to the provisions of the Convention, be represented on the Advisory Committee and also, for the sake of wider effectiveness, that a further member might be added, representing one of the countries in Latin-America.

The question of propaganda also came before the Assembly <sup>(2)</sup>, which requested the Advisory Committee to consider the advisability of drawing up a programme for popular instruction with regard to the dangers attending the use of narcotics.

## 6. — FAMINE IN ALBANIA

On the proposal of the British representative, the Council, at its meeting of September 9th, decided that the sum of 10,000 Swiss francs remaining over from the fund subscribed to relieve famine in Albania should be expended in the purchase of quinine to be distributed to the necessitous population of the stricken regions. The Council requested the Secretary-General to instruct Dr. Haigh, of the League Epidemic Commission, who is at present conducting an inquiry into the prevalence

(1) See *Monthly Summary*, Vol. IV, No 8, p. 158.

(2) See Resolutions of the Assembly.



of malaria in Albania, to undertake the distribution of this quinine in consultation with the Albanian Government.

The Council further requested the Secretary-General to convey its thanks to Professor Pittard, Mr. Cuénod and Mr. Schlemmer, through whose devotion it had been possible to relieve the necessitous population of Northern Albania.

#### 7. — INTERNATIONAL FEDERATION FOR MUTUAL ASSISTANCE IN THE RELIEF OF PEOPLES OVERTAKEN BY DISASTER

The question of an International Federation for Mutual Assistance was raised last year at the Assembly of the League of Nations, when it was decided that the scheme proposed by Senator Ciraolo, President of the Italian Red Cross, should be communicated to the various Governments for their information and comments <sup>(1)</sup>. Senator Ciraolo's scheme comprises the foundation of an international federation for the assistance of peoples overtaken by great catastrophes, such as flood, famine or earthquake. The assistance would take the form of immediate relief and would be given in those cases in which the country owing to the magnitude of the disaster was unable to cope with the situation alone. The organisation, technical and financial in character, would be under the authority of the Red Cross.

The League of Red Cross Societies, which met last May in Paris, adopted by fifty-three votes to one a motion approving Senator Ciraolo's proposal and expressing the wish that an international conference should be held to study the scheme. Moreover, twenty-eight States have replied to the letter sent by the Council of the League of Nations on the subject, and of these twenty-one approve the scheme in principle.

These facts were laid by the Council before the Fifth Assembly, whose Fifth Committee devoted several meetings to the discussion of the question. Two points of view emerged : some of the members proposed that the scheme should first be examined by scientists and experts, while further efforts were made to obtain replies from States that had not yet given their opinion and to approach the Red Cross Organisations on the subject of any changes in their legal status which might be advisable if their cooperation should be sought; others preferred the method of entrusting the work to a preparatory committee, which would at once begin to examine the exact scope within which the Federation would be called upon to take action, that is, to try to define the limits within which the Federation would intervene and the extent to which help would be given, and also to calculate the amount which the States would be asked to contribute.

This latter view was adopted by the Assembly, which decided to request a preparatory committee to proceed with the necessary work, without however binding the League in any way, either with regard to the final result or to the financial responsibilities incurred by the States.

#### 8. — THE PRINCIPLE OF CLOSER MUNICIPAL RELATIONS <sup>(2)</sup>

The Fifth Assembly approved the principle of the maintenance of closer relations between the municipalities of different countries, a proposal submitted by the Cuban delegation to the Fourth Assembly and referred to the Fifth Assembly.

The Assembly requested the Secretary-General to prepare for the Sixth Assembly a report on inter-municipal co-operation and the part which the League might play in the matter.

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(1) See *Monthly Summary*, Vol. III, No. 9, p. 223.

(2) See Resolution of the Assembly.

The report of the Temporary Slavery Commission was examined by the Council on August 29th <sup>(1)</sup> and forwarded for approval to the Assembly.

In this report, the Commission proposes for the purposes of its investigation to use information to be obtained from individuals or organisations of recognised competence and reliability, besides drawing upon the official sources of information, namely answers to the questionnaires already circulated.

At the Assembly and Council debates on the subject, several speakers drew attention to the fact that the task of the Commission in making use of information from non-official sources was extremely delicate

The programme of work drawn up by the Commission was approved by both the Council and the Assembly, the latter body declaring that it relied on the wisdom and tact of the Commission to bring its work to a successful conclusion.

## X. — Resolutions of the Assembly.

### 1. — Reduction of Armaments.

#### *Control of the International Trade in Arms, Munitions and Implements of War.*

The Assembly requests the Council to submit to the Governments of States Members and non-Members of the League of Nations, the draft Convention relating to the Control of the International Trade in Arms, Munitions and Implements of War drawn up by the Temporary Mixed Commission, and to request these Governments to inform the Secretary-General, before the Council meets in December, whether they are prepared to take part in a Conference to be convened in April or May 1925 for the purpose of discussing this draft Convention

#### *Statistical Enquiry on the Trade in Arms, Munitions and Implements of War.*

The Assembly, having taken note of the statistical data relating to the trade in arms, munitions and implements of war published by the Secretariat of the League of Nations in pursuance of a decision of the Council, expresses its satisfaction with the work accomplished and requests the Council :

1. To instruct the Temporary Mixed Commission carefully to consider the information already published and to submit a report on the characteristic features of the trade in arms, munitions and implements of war, as disclosed by this enquiry based on official and public documents, and on the conclusions to be drawn therefrom;
2. To ensure the periodical publication by the Secretariat of the statistical data concerning the trade in arms, munitions and implements of war;
3. To invite States Members and non-Members of the League of Nations to transmit to the Secretariat all documents which they may consider likely to be of assistance in the preparation of this work.

#### *Private Manufacture of Arms, Munitions and Implements of War.*

The Assembly,

Having taken note of the reports of the Temporary Mixed Commission and the Economic Committee on the control of the private manufacture of arms, munitions and implements of war .

- (1) Requests the Council to invite the Temporary Mixed Commission to investigate this question anew and with an entirely open mind, and to prepare a draft International Convention, taking into account any new circumstances which may have arisen since the report of the Temporary Mixed Commission was submitted to the fifth Assembly.

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(1) See *Monthly Summary*, Vol IV, No 6, p. 123

It is intended that this shall serve as a basis for the discussions of an International Conference to be convened for the purpose of concluding a Convention for the Control of the Private Manufacture of Arms, Munitions and Implements of War.

(2) The Assembly also requests the Council to consider the question of inviting the Government of the United States of America to send representatives to co-operate with the Temporary Mixed Commission in preparing the draft Convention for the Control of the Private Manufacture of Arms, Munitions and Implements of War.

*Co-ordination of the Work of the Temporary Mixed Commission and the Permanent Advisory Commission.*

Whereas the work of the League of Nations in connection with the reduction of armaments is entering this year upon a period of re-organisation which requires the direct attention of the Council :

The Assembly entrusts to the Council the question of the co-ordination of the work of its Commissions for the Reduction of Armaments

The Assembly recommends the Council to re-organise the Temporary Mixed Commission in conformity with the following principles :

- (1) The Commission shall include the representatives of a certain number of Governments;
- (2) The Commission shall include qualified delegates of the technical organisations of the League of Nations, that is to say :

Representatives of the	Economic Committee,
»	» » Financial Committee,
»	» » Transit Committee,
»	» » Permanent Advisory Commission,
»	» » Employers' and Labour Groups of the International Labour Office,

Experts, jurists or others elected by the Council.

(3) Delegates of States not represented on the Commission may be invited to attend whenever the Commission thinks fit.

(4) The Council will invite any States not Members of the League of Nations which may have notified their intention of taking part in the International Conference for the Reduction of Armaments to appoint representatives to participate in the work of the Commission.

*Chemical Warfare.*

The Assembly,

Having examined the report of the Temporary Mixed Commission with regard to the probable effects on warfare of chemical discoveries;

Being convinced that the means which modern science places at the service of warfare renders the latter a great danger to civilisation;

Recalling the seventh resolution of the third Assembly regarding the adhesion of all States to the Treaty concluded at Washington on February 6th, 1922, concerning the use of asphyxiating gases in time of war;

Requests the Council, if it considers it desirable, to publish the report of the Temporary Mixed Commission and, if advisable, to encourage the work of making information on this subject generally accessible to the public;

Noting, on the other hand, the facility and rapidity with which factories for producing chemical substances required in peace-time can be transformed into factories for chemical warfare;

Recommends that the attention of public opinion throughout the world be drawn to the necessity of endeavouring, in the first place, to remove the causes of war by the pacific settlement of disputes and by the solution of the problem of security, in order that nations may no longer be tempted to utilise their economic, industrial or scientific power as weapons of war.

*Military Year-Book.*

The Assembly,

Having noted with great interest the preparation of the Military Year-Book :

Desires to express its satisfaction with the valuable work which has been accomplished and which represents a genuine step towards the fulfilment of the obligations assumed by the signatories of the Covenant in the final paragraph of Article 8;

And requests the Council to arrange for the continuation of this work on the lines laid down by the fourth Assembly, to which the Secretariat has adhered in preparing this first volume, special attention being given to that part of the Year-Book which deals with industrial and economic resources capable of being utilised for war.

## 2. — General Questions.

### *Examination of the Replies of the Special Committee of Jurists appointed in pursuance of the Resolution adopted by the Council on September 28th, 1923.*

The Assembly decides to place on its agenda and to refer to the Sixth Assembly the following proposal by the Netherlands delegation :

The Assembly, having taken note of the replies of the Special Committee of Jurists appointed in pursuance of the resolution adopted by the Council on September 28th, 1923, and considering that certain points in these replies require elucidation, requests the First Committee to consider how far such elucidation would be desirable.

### *Election of the non-permanent Members of the Council.*

The Assembly reiterates the following recommendation adopted unanimously by the Assemblies of 1922 and 1923 :

"It is desirable that the Assembly, in electing the six non-permanent Members of the Council, should make its choice with due consideration for the main geographical divisions of the world, the great ethnical groups, the different religious traditions, the various types of civilisation and the chief sources of wealth "

### *Proposal of the Netherlands' Delegation for the amendment of Article 27 of the Rules of Procedure of the Assembly*

The Assembly adopts the terms of the report of the First Committee, and decides that there is no necessity for any amendment to Rule 27 of the Rules of Procedure of the Assembly.

### *Amendments to Article 16 of the Covenant,*

#### I

#### *Amendment to Article 16, paragraph 1, of the Covenant.*

The Assembly, noting that the amendment to Article 16, paragraph 1, of the Covenant, which was adopted by the Assembly at its second session, has not entered into force and appears to be open to objections which seem to render its entry into force impossible, and considering accordingly that it is no longer opportune for further Members of the League to ratify the said amendment, adopts in place thereof the following amendment, which it recommends should be ratified :

"The latter part of the first paragraph of Article 16 of the Covenant shall read as follows :

'which hereby undertake immediately to subject it to the severance of all trade or financial relations and to prohibit all intercourse at least between persons resident within their territories and persons resident within the territory of the covenant-breaking State and, if they deem it expedient, also between their nationals and the nationals of the covenant-breaking State, and to prevent all financial, commercial or personal intercourse at least between persons resident within the territory of that State and persons resident within the territory of any other State, whether a Member of the League or not, and, if they deem it expedient, also between the nationals of that State and the nationals of any other State whether a Member of the League or not'.

This amendment shall be submitted for ratification by the Members of the League.

A protocol embodying the amendment shall at once be drawn up in accordance with the principles adopted by the second Assembly for amendments to the Covenant.

#### II

#### *Amendment to Article 16 of the Covenant, paragraph 2 of the original text which becomes paragraph 5 of the text as amended in 1921.*

The Assembly decides to adjourn to the sixth Assembly (1925) the consideration of the amendment to Article 16, paragraph 2, of the Covenant, as originally drafted, which has been proposed by the British Government.

### *General Treaty of Arbitration between Switzerland and Italy.*

The Assembly,

Having heard with great interest the communication made by the first delegate of Italy, M. Salandra, and the declaration of M. Motta, President of the Assembly, with regard to the signature of a general treaty of arbitration between Switzerland and Italy,

Expresses to the Governments signatories of the agreement, its lively satisfaction at the conclusion of this treaty, the high importance of which is in conformity with the spirit which inspires the work of the fifth Assembly of the League of Nations.

*Development of International Law.*

The Assembly,

Considering that the experience of five years has demonstrated the valuable services which the League of Nations can render towards rapidly meeting the legislative needs of international relations, and recalling particularly the important conventions already drawn up with respect to international conciliation, communications and transit, the simplification of Customs formalities, the recognition of arbitration clauses in commercial contracts, international labour legislation, the suppression of the traffic in women and children, the protection of minorities, as well as the recent resolutions concerning legal assistance for the poor;

Desirous of increasing the contribution of the League of Nations to the progressive codification of international law;

Requests the Council :

To convene a committee of experts, not merely possessing individually the required qualifications but also as a body representing the main forms of civilisation and the principal legal systems of the world. This committee, after eventually consulting the most authoritative organisations which have devoted themselves to the study of international law, and without trespassing in any way upon the official initiative which may have been taken by particular States, shall have the duty :

- (1) To prepare a provisional list of the subjects of international law, the regulation of which by international agreement would seem to be most desirable and realisable at the present moment; and
- (2) After communication of the list by the Secretariat to the Governments of States, whether Members of the League or not, for their opinion, to examine the replies received; and
- (3) To report to the Council on the questions which are sufficiently ripe and on the procedure which might be followed with a view to preparing eventually for conferences for their solution.

*Legal Assistance for the Poor.*

The Assembly decides :

1. To invite the Secretariat to prepare a list of the agencies, both public and private, which have been established in each country for the purpose of giving to poor persons legal assistance in connection with litigation in the courts or free legal advice and consultation; and of international organisations that are interested in providing or securing legal assistance for poor persons.

This list shall be printed and distributed to the various Governments and be available for the agencies named therein and for other interested institutions.

This list shall be revised by the Secretariat from time to time in order that it may mention agencies that may hereafter be established or abolished.

2. To invite the Secretariat to collect the various treaties, laws, and other provisions regulating legal assistance to poor persons in the various nations and between the various nations.

Such treaties, laws and other provisions or summaries thereof shall be published and distributed to the various Governments and be made available to the agencies mentioned in the list of legal-aid associations and to other interested institutions.

3. To invite each Government to nominate an authority or other duly qualified person who will answer enquiries from authorities or other duly qualified persons in other countries, with regard to the facilities afforded in the country applied to for giving legal advice and assistance in litigation to poor persons in other countries.

The list of authorities or persons so designated by the various Governments shall be published by the Secretariat from time to time.

4. To request the Secretary-General of the League of Nations to ask the various States, including States not Members of the League, whether they would be disposed to become parties to a Convention dealing with free legal aid for the poor on the basis of the principles formulated in Articles 20 to 23 of the Hague Convention of July 17th, 1905, and whether possibly they would desire to propose any modification of such principles.

5. To request the Secretary-General to transmit to the Governments the report concerning international arrangements for legal assistance for the poor.

*Financial Questions.*

1. The Assembly of the League of Nations, in virtue of Article 38 of the Regulations for the Financial Administration of the League, finally approves the audited accounts of the League for the fifth financial period, ending December 31st, 1923.

2. The Assembly, in virtue of Article 17 of the Regulations for the Financial Administration of the League :

Approves, for the financial year 1925, the general budget of the League, of the Secretariat and of the special organisations of the League, of the International Labour Organisation and of the Permanent Court of International Justice, the total amount of which, including supplementary credits, is 22,658,138 gold francs;

And decides that the said budgets shall be published in the *Official Journal*.

3. The Assembly adopts, in so far as they have been approved by the Fourth Committee, the conclusions of the various reports of the Supervisory Commission submitted to its consideration, and at the same time expresses to the Supervisory Commission its thanks for the services it has so well rendered.

4. The Assembly adopts the conclusions of the report of the Fourth Committee.

*Allocation of Expenses of the League.*

The Assembly, in view of the fact :

That the work of the Committee on the Allocation of Expenses, presided over by M. Réveillaud, is not yet concluded, though the system proposed by the said Committee opens up the prospect of reaching a satisfactory conclusion, as mentioned in the report which this Committee submitted to the Assembly on July 4th, 1924;

That the Assembly adopted a provisional scale for 1923 and also adopted a provisional scale for 1924 on the same lines as the 1923 scale, at the same time instructing the Committee on the Allocation of Expenses to place the whole of the units available for that year to the credit of those Members for whom the then existing allocation was particularly heavy;

That in such a delicate matter it is clearly advisable to await the conclusion of the work of the Committee on the Allocation of Expenses and to make no changes in the provisional scales approved for 1923 and 1924, since, in the circumstances, such changes would necessarily be arbitrary and would consequently meet with numerous objections;

That the same conditions still exist as so rightly called forth from the 1923 Assembly a unanimous expression of sympathy for Japan when she was stricken by an earthquake that destroyed a great part of her wealth;

And that applications have been received even during the last few days from other Members for a reduction of their quotas;

(a) Invites all States Members of the League to communicate to the Secretary-General their detailed budget estimates for 1923 (1923-1924) and to send in future the budget estimates and closed accounts for each financial period immediately they are published;

(b) Requests the Council to ask the Committee on the Allocation of Expenses, presided over by M. Réveillaud, to continue its researches, with the object (in view of the difficulties of drawing up a definitive scale at a time when the exchange fluctuations are so pronounced) of preparing a fresh provisional scale to be submitted to the 1925 Assembly and to come into force as from 1926 for a period to be decided upon;

(c) Resolves that the rebate of 12 units granted to Japan for the year 1924 shall be maintained for the year 1925;

(d) Resolves that the 35 units available owing to the resumption of payment by the Argentine shall be held in reserve;

(e) Requests the Committee on the Allocation of Expenses to divide these 35 reserved units in such a way as it may consider equitable, taking into consideration the claims of States Members for whom the existing allocation is particularly heavy;

(f) Approves for the year 1925, subject to such modification thereof as may result from the utilisation by the Committee on the Allocation of Expenses of the 35 units mentioned above, the scale, which is based on that of 1924, annexed to the present resolution.

*Scale of Allocation of the Expenses of the League for 1924:*

Units		Brought forward. . .		Unit
				274
Abyssinia . . . . .	2	Finland . . . . .		10
Albania . . . . .	1	France . . . . .		78
Australia . . . . .	26	Great Britain . . . . .		88
Austria . . . . .	1	Greece . . . . .		9
Belgium . . . . .	15	Guatemala . . . . .		1
Bolivia . . . . .	5	Haiti . . . . .		2
Brazil . . . . .	35	Honduras . . . . .		1
Bulgaria . . . . .	7	Hungary . . . . .		3
Canada . . . . .	35	India, British . . . . .		65
Chile . . . . .	15	Irish Free State . . . . .		10
China . . . . .	65	Italy . . . . .		61
Colombia . . . . .	7	Japan . . . . .		61
Costa Rica . . . . .	1	Latvia . . . . .		3
Cuba . . . . .	9	Liberia . . . . .		1
Czechoslovakia . . . . .	35	Lithuania . . . . .		4
Denmark . . . . .	12	Luxemburg . . . . .		1
Estonia . . . . .	3	Netherlands . . . . .		20
Carried forward. . . . .	274	Carried forward. . . . .		692

	Brought forward	Units 692		Brought forward	Units 796
New Zealand. . . . .		10	Kingdom of the Serbs, Croats and Slovenes . . . . .		26
Nicaragua. . . . .		1	Siam . . . . .		10
Norway. . . . .		11	Spain . . . . .		40
Panama. . . . .		1	South Africa. . . . .		15
Paraguay . . . . .		1	Sweden . . . . .		18
Persia. . . . .		6	Switzerland . . . . .		15
Peru . . . . .		10	Uruguay. . . . .		5
Poland. . . . .		25	Venezuela. . . . .		7
Portugal. . . . .		9			
Roumania. . . . .		29	TOTAL. . . . .		932
Salvador. . . . .		1	Argentine . . . . .		35
Carried forward. . . . .		796			(held over)

The 35 units that are available owing to the Argentine's resumption of payment will be distributed by the Committee on the Allocation of Expenses in accordance with the terms of the above resolution.

The value of a single unit in 1925 will therefore be the total expenses in gold francs voted for 1925 divided by 932. But this figure, which cannot be increased, may be reduced if the said Committee decides to use part of the 35 units in hand for the purpose of making an all-round reduction,

The Assembly,

Request the Committee on the Allocation of Expenses to determine the number of units to be allotted to the Dominican Republic and, when carrying out its task of making the final adjustments in the scale for 1925, to add the number of units thus allotted to those rendered available by the contribution of the Argentine Republic.

#### *Contributions in Arrears.*

The Assembly :

(a) Authorises the Secretary-General :

(1) To accept the Liberian representatives' proposal that the balance of 106,581.30 gold francs due under the budgets of 1921, 1922 and 1923 should be paid in equal annual instalments spread over ten years as from January 1925;

(2) To strike out of the accounts of the League the balance of 50,983.89 gold francs due by the Grand-Duchy of Luxemburg for the financial year 1922, on the understanding, however, that Luxemburg waives all claim to her share of the surplus of the 1923 budget;

(3) To strike out of the accounts of the League the balance of 38,176.83 gold francs due by Persia for the financial year 1923, on the understanding, however, that Persia waives all claim to her share of the surplus for that financial year.

(b) Invites the Secretary-General :

(1) To make further urgent representations to Costa Rica, Honduras, Nicaragua, Peru and Bolivia;

(2) To submit to the Council at its session in June 1925 a report on the results of these representations in order that the Council may consider whether and, if so, in what form the questions of the contributions due from these Members of the League should be placed on the Agenda of the sixth Assembly.

#### *Request from the Government of Panama concerning its Contributions prior to 1923.*

The Assembly,

Being aware that it will be causing to one of the most devoted and most esteemed Members of the League a comprehensible disappointment; and being convinced, nevertheless, that its decision implies no injustice;

Decides not to entertain, in the present circumstances, the claim of Panama concerning its contributions prior to 1923, which might, however, receive further consideration at some future Assembly,

#### *Erection of a Conference Hall on the ground presented to the League of Nations by the Republic and Canton of Geneva and by the City of Geneva.*

The Assembly approves the report of its Fourth Committee on the question of the erection of a Conference Hall of the League of Nations, directs that the measures proposed in the report shall be carried out, and recommends the Members of the League to give the widest publicity to the conditions of the competition in connection with the erection of a Conference Hall.

*Re-organisation of the Latin-American Bureau.*

1. The number of members of the Latin-American Bureau shall be increased from two to three.
2. The term of service of the members of this Bureau shall be increased from two to three years.
3. The Secretary-General shall, when vacancies occur in the general services of the Secretariat, endeavour to secure more appropriate representation for the Latin-American States, provided always that the candidates for these posts possess the necessary qualifications.
4. It is understood that the Latin-American Bureau, which was constituted in order to meet particular exigencies, must not be regarded as a permanent organisation. It is desirable that nationals of Latin-American countries should be admitted as permanent members in such a way that one of these nationals shall be appointed in each section of the Secretariat.
5. In order that the above scheme may be carried out as rapidly as possible, the Secretary-General shall have power to substitute, upon their expiration or even previously for the contracts of officials of the Latin-American Bureau contracts as permanent Members of Section, utilising for this purpose the funds allocated to the Latin-American Bureau, or, if the Bureau cease to exist, a special credit to the same amount which shall be duly allocated.

2. — TECHNICAL ORGANISATIONS

*Health Organisation.*

1. The Assembly, after examining the report of the Health Committee on the work accomplished by the Health Organisation between the fourth and fifth Assemblies, notes with satisfaction that the Health Committee has been definitely constituted in accordance with the scheme approved by the fourth Assembly.
2. The Assembly considers that the work accomplished by the Health Organisation is in conformity with the duties entrusted to the League by Article 23 (f) of the Covenant, and that it is instrumental in promoting valuable international co-operation in health matters.
3. The Assembly approves the work of the Service of Epidemiological Intelligence and Public Health Statistics and the results obtained from the carrying out of the system of interchanges of public health personnel. The Assembly notes with pleasure the results obtained through the efforts of the Health Committee in connection with the standardisation of sera and biological products. It considers that the most valuable results may be anticipated from the enquiry which has been undertaken into mortality from cancer, and that the work of the Malaria Commission is calculated to furnish valuable assistance to the administrations most vitally concerned. The Assembly is gratified to note that the Health Committee has responded to the requests of several Governments by placing at their disposal investigators and technical advisers on matters of public health. It approves the establishment of a Bureau of Epidemiological Intelligence in the Far East.
4. The Assembly requests the Health Organisation to take into consideration in due course the study of the problem of physical education and to investigate the means for its general extension on rational principles. It further requests the Health Committee to undertake an enquiry as to the value of preventive measures against tuberculosis, taking into account the proposition presented by the Government of the Kingdom of the Serbs, Croats and Slovenes.
5. The Assembly asks the Council to suggest to the Health Committee the desirability of communicating to the Permanent Committee of the Paris *Office international d'hygiène publique* the report setting out the questions with which the Health Committee proposes to deal (which is referred to in Article 4 of the Regulations for the Health Committee), at such a date as to permit the Permanent Committee to make, before the next Assembly, any observations to the Health Committee which appear to it desirable.

*Economic and Financial Organisation.*

*Financial Reconstruction of Hungary*

The Assembly :

Having examined the account of the work of reconstruction in Hungary contained in the general report of the Council to the Assembly :

- (1) Notes with lively satisfaction that once more, under the auspices of the League of Nations, and on the basis of a plan prepared by its Financial Committee, the reconstruction of another European country is being successfully achieved;
- (2) Believes that, as in the case of Austria, this work could only be carried out by international co-operation, and notes with great satisfaction the active association of many countries in the work, whether by the signature of the Protocols or through the issue of the loan—United States of America, Czechoslovakia, France, Great Britain, Hungary, Italy, the Netherlands, Roumania, the Kingdom of the Serbs, Croats and Slovenes, Sweden and Switzerland;



(3) Believes that the association of these countries in co-operative work of this kind both reflects an improvement in political relations and that it has led, and will lead, to beneficial results extending beyond the financial reconstruction which is the primary object of the scheme;

(4) Observes in particular that the principle of reconstruction based upon the re-establishment of sound public finance has been successfully combined with an arrangement limiting and fixing over the next twenty years payments in respect of Treaty charges; and that, as in the case of Austria, the execution of the work rests upon a control exercised impartially through a high officer of the League—a national of the United States of America;

(5) Observes that once again the immediate end to which the authors of this plan have addressed themselves is financial rather than economic in character, in the belief that the renewal of confidence brought about by a sound financial policy will have a beneficial effect on the economic condition of the country. In this connection the Assembly desires, however, to emphasise the importance of the Financial Committee's recommendations as to economic policy and development. It hopes that the work begun in Hungary—as in Austria—may be completed by such national or international measures and agreements as will foster the resumption of free and normal trade relations;

(6) Desires once more to express its appreciation to the members of the Financial Committee, whose ability, patience and judgment have produced a plan based, like the Austrian one, on general principles of sound finance, but adapted to the peculiar conditions of another country; to the Hungarian Government for the energy and despatch with which it has entered into the plans prepared with its collaboration; to those—and, in particular to Mr. Jeremiah Smith, Commissioner-General—whose administrative work has set the plan working with every prospect of its reaching a successful conclusion; and, lastly, to all those who in many countries have brought about the issue of the entire reconstruction loan;

(7) Observes with pleasure that all the internal legislation required by the scheme has been passed; that the new National Bank has been founded and that inflation has stopped; that the administrative reforms have begun; that taxation receipts are improving, the yield of the revenues assigned for the service of the loan far exceeding the conservative estimates made at the time the scheme was constructed; and in general that the scheme has been well launched under the best auguries for its complete success.

#### *Financial Reconstruction of Austria.*

The Assembly is glad to note the progress in the work of Austrian reconstruction taken in hand under the auspices of the League of Nations.

It notes the decision of the Council prescribing the conditions under which the system of budget control can properly be modified at an early date and subsequently terminated.

#### *International Loan for Greek Refugees and other Work of the Financial Committee.*

##### 1. The Assembly

Learns with great satisfaction the progress made during the last year in the difficult and important task of settling the Greek refugees in productive employment.

It notes the establishment and successful working of the Greek Refugees Settlement Commission; the arrangements made to finance the work of the past year through temporary advances amounting to £3,000,000 sterling; the allocation of suitable land by the Greek Government; the housing and establishment upon the land and, to a smaller extent, in industry of a large proportion of the refugees.

The Assembly further notes with satisfaction the improvement in the stability of Greek political conditions, the improved economic position, and the maintenance of a steady value of the Greek currency.

It is glad to learn that the Council, on the advice of the Financial Committee, considers that the time has now arrived when the whole scheme may be placed upon a definite financial basis by the issue of the long-term loan; and that, in view of the above favourable circumstances, the land and revenues proposed for assignment in the Protocol afford a sufficient security for the total sum of £10,000,000 required to complete the work of establishing all the suitable refugees.

The Assembly expresses in conclusion the earnest hope that the loan may be successfully issued and that the whole of the undertaking, so vital to the economic and political stability of Greece, may be carried through to a successful conclusion.

##### 2. The Assembly,

In addition to the special resolutions concerning the reconstruction of Austria and Hungary, and the proposal of an international loan in favour of the Greek refugees :

Notes with satisfaction the other work of the Economic and Financial Organisation in the financial sphere, particularly as regards the Free City of Danzig, the periodical publications of the League of Nations on financial subjects, and the study of the problems of fiscal evasion and double taxation.

As regards the latter point, it hopes that the agreement of principle already reached by the experts will rapidly be given final shape and applied on the lines which may be determined by the Financial Committee and the Council.

*Work of the Economic Committee.*

The Assembly :

1. Records with great satisfaction the success achieved by the International Conference for the Simplification of Customs Formalities and hopes that the Convention at which the Conference arrived may be ratified with the shortest delay by the largest possible number of States. It notes, further, that the Convention constitutes only the first, though a very important stage in the improvement of international commercial relations, and it hopes that the Economic Committee will do its utmost to make further progress in the same direction;

2. Takes note of the proposals of the Committee aiming, by means of amendments and additions to the Convention for the Protection of Industrial Property, at more effectual protection against unfair competition, and expresses the hope that these proposals may receive the support of the States Members on the occasion of the forthcoming Conference for the revision of the Convention for the Protection of Industrial Property;

3. Takes note of the investigations of the Committee regarding the protection of the foreign buyer against worthless goods, and of the conclusions reached. The Committee strongly urges that all the arrangements provided in exporting countries for testing, verifying, and certifying the quality of goods should always be freely available for the benefit of the foreign buyer as well as for that of the home consumer, and that these facilities should be developed and extended and their existence be brought to the knowledge of foreign buyers by suitable methods of publicity;

4. Notes the progress made by the Economic Committee in the study of the question of the treatment to be accorded to foreign national and enterprises in the study of economic crises and with regard to the unification of methods of statistics;

5. Again draws the attention of the States Members to the great benefit which international trade would derive from the prompt ratification by the largest possible number of States of the Protocol on Arbitration Clauses;

6. With reference to paragraph 1 of Article 3 of the Convention relating to the Simplification of Customs Formalities, which has already been signed by thirty-one States and ratified by six.

Considering that the system of import and export prohibitions and restrictions constitutes a serious impediment to the free development of international trade, and also

That the general situation might in future be favourable to action in this sphere :

Desires the Council to instruct the Economic Committee to consider the possibility and expediency of an agreement between States Members of the League and States non-Members with a view to the final suppression of import and export prohibitions and restrictions and, if necessary, to suggest the most suitable methods of achieving this object. Provisions relating to the protection of the vital interests of States shall not be affected.

*Organisation for Communications and Transit.*

1. The Assembly,

Notes with satisfaction the report of the Advisory and Technical Committee for Communications and Transit on the work accomplished by the Organisation for Communications and Transit between the fourth and fifth Assemblies;

Expresses its gratification at the success of the second General Conference on Communications and Transit and hopes that as far as possible the States whose Governments have voted the Conventions adopted will, before the closing of the Protocol of Signature, sign the Conventions and will proceed to the necessary ratifications as soon as possible;

Gives its general approval to the procedure adopted by the Advisory and Technical Committee for Communications and Transit in conducting its investigations and solving the disputes submitted to it;

And invites the Governments concerned to facilitate, as in the past, the work of the Committee, with a view to the general improvement of the regime of transport and to the development of international law in the domain of international communications, in conformity with Article 23 (e) of the Covenant.

2. The Assembly draws the attention of the Council to the extreme urgency of giving effect to the proposal already submitted to the Council for a revision of the London Convention of 1912, particularly in view of the enormous development in radio-telephony.

3. The Assembly recommends that the States Members of the League of Nations should grant to Esperanto, as a practical auxiliary language for international communications side by side with the national languages in use, the treatment and the charges in force for a language *en clair* in telegraphic and radio-telegraphic communications. It draws the attention of the Organisation for Communications and Transit to this question.

*Intellectual Co-operation*

*Work of the Committee on Intellectual Co-operation.*

1. The Assembly records with great satisfaction the fact that the system of forming national committees on intellectual co-operation is making steady progress.

It requests the Council to make further representations to the Governments of those States which have not yet formed such national committees, inviting them to promote the creation of such committees and, if possible, to give them financial support in their work of mutual assistance in intellectual matters.

2 The Assembly shares the opinion of the Council that it would be highly desirable to convene a conference of experts to consider the various problems raised by the question of scientific property, especially in the reports of Senator Ruffini and the replies of the various Governments regarding this question. It requests the Committee on Intellectual Co-operation to organise such a meeting in 1925, after consultation with the Economic Committee.

3. The Assembly notes with satisfaction the important results obtained by the Committee on Intellectual Co-operation in regard to the co-ordination of bibliographical work in the domain of physics, and requests the Committee to undertake a similar task with regard to the other sciences, in the first place, with regard to the social sciences.

4. The Assembly, noting that the Council has approved in principle the draft agreement with the *Institut international de Bibliographie* at Brussels, approves this agreement.

5 The Assembly adopts the report of the Committee of Experts on the international exchange of publications. It relies on the good offices of the Belgian Government to obtain the partial adherences to the Brussels General Convention of 1886 provided for in the first resolution of the Committee of Experts.

It also requests the Council to invite all States, whether signatories of the Conventions of 1886 or not, to consider the possibility of accepting the new Convention for the Exchange of Scientific and Literary Publications proposed by the Committee.

6. The Assembly instructs the International University Information Bureau to embody in one draft all the recommendations of the Committee on Intellectual Co-operation in university matters.

In view of the proposals made by the Spanish Government at the fourth Assembly, and the suggestion made at the Second Committee by the Persian delegate with regard to the equivalence of degrees, the Assembly asks all States to communicate what steps they have taken, or intend to take, in the direction indicated by the Committee on Intellectual Co-operation, with a view to attaining as far possible the aims referred to in the said proposals.

7. The Assembly, noting with satisfaction that a considerable number of States have replied favourably to the recommendation adopted last year that students should be provided with special travelling facilities, invites all the States :

(a) To consider favourably applications from students' associations for measures to facilitate interchanges of students;

(b) To grant similar travelling facilities to duly qualified teachers and scholars going abroad in the interests of science;

(c) To found scholarships for the purposes indicated in paragraphs (a) and (b).

8. The Assembly, being convinced of the necessity of solidarity among the nations, and having witnessed the results of such solidarity in certain countries in the sphere of economics and finance, would be happy to see this principle applied in the sphere of intellectual life.

It invites the Committee on Intellectual Co-operation to examine and, if necessary, to refer to the Financial Committee the question of an international loan, under the supervision of the League of Nations, intended exclusively for intellectual development in the countries of those Members of the League which may desire it.

9 The Assembly expresses the wish that the Committee on Intellectual Co-operation should make—under the Council's authority—the same appeal to the universities, academies and other scientific bodies on behalf of the intellectual workers of Hungary, which it made in November 1922 on behalf of the intellectual workers in Austria. The Council is respectfully asked to act with regard to that matter in the same way as it acted in the case of Austria.

10. The Assembly,

Being convinced of the fundamental importance of familiarising young people throughout the world with the principles and work of the League of Nations, and of training the younger generation to regard international co-operation as the normal method of conducting world affairs;

In view of the resolutions adopted by the fourth Assembly regarding the encouragement of contact between young people of different nationalities, and concerning the instruction of youth in the ideals of the League of Nations :

Is of opinion that further steps should be taken to promote these objects;

And therefore instructs the Secretariat to investigate the means by which efforts to promote contact and to educate the youth of all countries in the ideals of world peace and solidarity may be further developed and co-ordinated, and to furnish a report to the sixth Assembly.

#### *Recommendation.*

In reply to the three questions asked by the Council,

In view of the fact that the above resolutions and, in general, the whole programme of the League of Nations as regards intellectual co-operation will be carried out more easily with the assistance of the Inter-

national Institute which the French Government has proposed to found and place at the disposal of the League of Nations, the Assembly notes that the Council has accepted, in principle, this generous gift, for which it desires to express its deepest gratitude.

Being desirous of emphasising the international character which this Institute should possess, both as regards the programme of its work and the choice of its staff, in accordance with the intention of the French Government and of the Council :

The Assembly expresses the following recommendations :

A. The powers and duties of the new Institute shall be defined by the Committee on Intellectual Co-operation in accordance with the principles laid down by the Committee itself—after such consultations as may be necessary to avoid overlapping—and with the instructions of the Council and the Assembly. These powers and duties may subsequently be enlarged by the Committee with the consent of the Council and the Assembly.

B. The Council of the League of Nations is invited to conclude with the French Government all agreements necessary to ensure the establishment, continuity and proper working of the Institute.

In accordance with these agreements, the administration of the Institute shall be entrusted to the Committee on Intellectual Co-operation, acting as a Governing Body. The latter shall, with the approval of the Council, appoint five persons of different nationalities, who shall form a Committee of Directors. The powers and duties of the Committee of Directors, which shall meet at least once every two months, the term of office of its members and the system of rotation by which its membership shall be renewed, shall be determined by the Committee on Intellectual Co-operation.

The budget and accounts of the Foundation will be communicated to the Council and the Assembly. The accounts will be audited at least once a year by the Chief Auditor of the League, and his report will be annexed to the budget and the accounts.

C. The Committee on Intellectual Co-operation shall determine in each case, after consulting the parties concerned and in agreement with them, the relations with the International Institute of the institutions mentioned in the resolution of the Council, or any other institutions of an intellectual character.

The Committee on Intellectual Co-operation will be ready to collaborate with these institutions with a view to solving particular problems, without, however, interfering in any way with their autonomy.

*Foundation of an International Institute for the Unification of Private Law.  
(Offer of the Italian Government.)*

The Assembly of the League of Nations expresses its deepest gratitude to the Italian Government for its generous offer to found an International Institute for the Unification or the Assimilation and Co-ordination of Private Law, under the direction of the League of Nations.

The Assembly, recalling the terms of its resolution dated September 23rd, 1924 (1) with regard to the International Institute for Intellectual Co-operation, invites the Council to accept this offer, in the name of the League of Nations, and, being desirous of emphasising the international character which this Institute should possess, both as regards the programme of its work and the choice of its staff, in accordance with the intention of the Italian Government :

(a) Resolves that the powers and duties of the new Institute and the constitution of its Governing Body and Committee of Directors shall be defined by the Council of the League of Nations in agreement with the Italian Government;

(b) Invites the Council of the League of Nations, after consultation with the competent organs (including the Committee of Experts (2) contemplated in the resolution of the fifth Assembly dated September 19th, 1924, the Committee on Intellectual Co-operation and the Technical Organisations of the League of Nations), to conclude with the Italian Government all agreements necessary to ensure the establishment, continuity and proper working of the Institute. In accordance with the desire of the Italian Government, the general principles to be embodied in such agreements shall be analogous to those laid down in connection with the International Institute for Intellectual Co-operation which is to be established in Paris.

Care shall be taken, by means of consultation, to avoid all overlapping.

*Instruction in schools regarding the aims of the League.*

The Assembly decides to place on its agenda and to refer to the sixth Assembly the proposal of the Uruguyan delegation that the Council should be requested to instruct the Committee on Intellectual Co-operation to invite all teachers and professors to collaborate in the work of the League by preparing and distributing to all scholastic institutions literature instructing the young in the aims of the League.

(1) See foregoing Resolution : Work of the Committee on Intellectual Co-operation.

(2) See Resolution : Development of International Law.

### 3. — ADMINISTRATIVE QUESTIONS

#### *Mandates.*

The Assembly of the League of Nations :

Having taken cognisance of the report of the Permanent Mandates Commission relating to its fourth session, of the observations made by the accredited representatives of Belgium, France, New Zealand and the Union of South Africa, and of the resolution of the Council dated August 29th, 1924 :

(a) Desires again to convey to the Permanent Mandates Commission its profound and sincere thanks for the zeal, the great competence and the perfect impartiality with which it has invariably discharged its important and difficult duties.

(b) Earnestly recommends that a solution should be found as soon as possible for the question of loans, advances and investment of capital in the mandated territories, the present position of which is likely to prove a very serious hindrance to the development of these territories; and

(c) Recalls the fact that the inhabitants of mandated territories have the right to address petitions to the Council, in accordance with the procedure already established;

(d) Hopes that the mandatory Powers will, with as little delay as possible, take such action as may be required to give effect to the resolution adopted by the Council at the request of the Permanent Mandates Commission concerning the definition of the technical terms employed in the conventions relating to the liquor traffic;

(e) Requests that the reports of the Mandatory Powers should be distributed to the States Members of the League of Nations and placed at the disposal of the public who may desire to purchase them;

(f) Recommends that analytical tables should be drawn up as an annex to the reports of the Permanent Mandates Commission;

(g) Expresses the desire that it will be possible for the mandatory Powers in the future to entrust to officials personally responsible for the administration of the mandated territories, as often as circumstances will permit, the duty of representing them before the Permanent Mandates Commission.

### 4. — POLITICAL QUESTIONS

#### *The Situation in Georgia.*

The Assembly decides to authorise the transmission to the Council of the report of the sixth Committee regarding the situation in Georgia, in order that the Council may be able, at a time and in the manner it may consider the most opportune, to take into consideration the indications it contains.

### 5. — SOCIAL AND HUMANITARIAN QUESTIONS

#### *Refugee Questions.*

The Assembly feels it its duty to pay a wholehearted tribute to the High Commissioner, Dr. Fridtjof Nansen, both for his unceasing devotion, of which for more than four years he has given proof, in assisting refugees of every nation and for the high qualities which he has displayed in the carrying out of his onerous duties.

The Assembly would record the fact that, with very limited means at his disposal, Dr. Nansen has saved from misery and often from death hundreds of thousands of human beings, and would render him the grateful thanks due to him as a benefactor of humanity; it relies on his cordial co-operation for the continuance of the work on behalf of the refugees.

The Assembly :

Considering that the most important work which still remains to be done refers to the employment, emigration and settlement of the refugees;

Considering, moreover, that the Council has adopted the High Commissioner's recommendation for the transfer to the International Labour Organisation of the work still to be accomplished, subject to the approval of the Governing Body :

Adopts the Council's decision of June 12th, 1924, and places at its disposal sufficient funds, that is to say 203,000 francs, specially set aside for the administrative services required to deal with the establishment of the Russian and Armenian refugees during the year 1925, and requests the Council to continue negotia-

tions with the Governing Body of the International Labour Organisation in order to determine the precise conditions under which the work now in course of accomplishment shall be completed.

2. The Assembly,

Moved by the Greek delegate's statement in regard to the confiscations effected in certain banks to the detriment of the Armenian and Greek refugees;

While making no pronouncement in regard to the facts with all the details of which it is not acquainted, or in regard to the competence of the League in this question.

Urgently invites the Council to make a careful enquiry into the facts in question and then to take such measures as it may consider necessary, should it decide that the matter comes within the sphere of action of the League of Nations.

*Transfer of Armenian Refugees to the Caucasus and Creation of an Armenian National Home in that Region:*

The Assembly;

Bearing in mind the resolutions passed by the first, second and third Assemblies and by the Council in favour of the Armenians;

Desirous of manifesting its sympathy towards these unfortunate people;

Having considered the proposals made for the settlement of the Armenian refugees in the Caucasus and elsewhere;

Considering it undesirable, however, to express any opinion on the merits of such proposals until they have formed the subject of careful and impartial enquiries:

Invites the International Labour Office, in collaboration with Dr. Nansen, to institute an enquiry with a view to studying the possibility of settling a substantial number of Armenian refugees in the Caucasus or elsewhere;

And adds a further sum of 50,000 francs to the Refugee budget for 1925 for this purpose, it being understood that, by voting this credit, Members of the League assume no obligation as to the execution of any scheme whatever in this connection.

The Assembly :

Further declares that, until an Armenian national home can be established, every possible facility should be given to the refugees to establish themselves in productive employment in other countries so as to maintain and safeguard their national existence.

Finally, it proposes that the Greek Government and nation should be thanked and congratulated on the admirable efforts which they have made on behalf of the Armenians, and that gratitude should be expressed to the United States and other countries for the generosity which they have never ceased to show towards the Armenians. It further proposes that they should be asked to continue to afford these unhappy people a help which is indispensable and of great value during the crisis through which they are passing.

*Traffic in Women and Children.*

1. The Assembly expresses its keen satisfaction with the work accomplished by the Advisory Committee on Traffic in Women and Children, and adopts its report and resolutions.

2. The Assembly expresses its regret that so few States have as yet ratified the International Convention of 1921, and recommends that those States which have not yet adhered to or ratified the Convention should be invited to give the reasons which have prevented their doing so.

3. The Assembly endorses the resolution of the Council approving the decision of the Advisory Committee regarding the annual reports, inviting those States which have not yet furnished these reports to be good enough to do so in the future, and further inviting those States which sent in their reports for 1922 too late to be included in the summary of annual reports, to furnish them by April 1st of each year in the case of Western States, and by July 1st in the case of Far-Eastern States.

4. The Assembly endorses the following decision of the Council dated June 11th, 1924 :

"The Council, being of opinion that a full collection of laws and regulations relating to the traffic in women and children is essential to the work of the Advisory Committee, again invites those Governments which have not already furnished copies of such laws and regulations to be good enough to do so with the least possible delay."

5. The Assembly endorses the following decision of the Council dated June 11th, 1924 :

"The Council invites those States which have undertaken to appoint central authorities, but have not yet appointed them, to do so without delay, and requests them to be good enough to communicate the names of these authorities to the Secretariat."

6. The Assembly endorses the following decision of the Council dated June 11th, 1924 :

"The Council of the League of Nations, greatly appreciating the readiness with which many Governments have complied with the request formulated by the Council on April 19th, 1923, regarding

some aspects of the system of licensed houses, expresses the hope that those Governments which have not yet made known their opinions on the subject will furnish the information asked for, and requests the Advisory Committee to continue its study of the question in the light of any further replies which may be received."

*Protection of Women and Children in the Near East.*

1. The Assembly expresses its thanks to the Governments responsible for the territories under mandate or under Allied control in which members of the Commission for the Protection of Women and Children are working, for the support they have given to the Commission and its members, and it requests them to continue to give this support.
2. The Assembly approves the reports of Dr. Kennedy and Miss Karen Jeppe; it expresses its great appreciation of the work they and their assistants have accomplished
3. The Assembly decides that, as in 1924, the sum of 75,000 francs shall be allocated for the work of the Commission during 1925.

*Protection of Children.*

I

1. The Assembly ratifies the decision adopted by the Council at its session in March 1924 providing that the work hitherto carried out by the International Association for the Protection of Children should henceforth be entrusted to the Secretariat of the League of Nations.
2. The Assembly requests the Council to reconstitute the Advisory Committee on the Traffic in Women and Children under a new name and with two groups of assessors, one group to attend whenever questions relating to the traffic in women and children are dealt with and the other when questions relating to the protection of children are discussed.
- The Assembly recommends that the assessors belonging to the latter category should include persons qualified to act as representatives of the principal private organisations dealing with the protection of children, and, in particular, the International Association for the Protection of Children.
3. The Assembly considers that the subjects to be dealt with and the methods of dealing with them should be such as may be approved by the Council on the advice of the Advisory Committee; and considers that in this matter the League can most usefully concern itself with the study of those problems on which the comparison of the methods and experiences of different countries, consultation and interchange of views between the officials and experts of different countries and international co-operation may be likely to assist the Governments in dealing with such problems.
4. The Assembly takes note of the fact that the protection of children in certain respects already falls within the scope of the work of existing organisations of the League; for example, protection, from the hygienic point of view, falls within the sphere of the Health Organisation of the League, and the regulation of the conditions of employment of children within that of the International Labour Organisation; and considers that, in carrying out any new duties entrusted to the League, care should be taken to prevent any duplication of work.
5. The Assembly recommends in addition that the Health Organisation of the League should be invited to consider any measures within its competence which it would be desirable and practicable to undertake for the protection of children from the hygienic point of view.
6. The Assembly, considering that the international work proposed is of great permanent, social, scientific and juridical value, regrets that for general budgetary reasons the supplementary funds asked for are not available for 1925. It requests the Council to invite the Advisory Committee, when reconstituted, to present, in its report to the Council and the sixth Assembly, an estimate of the appropriations necessary for the adequate prosecution of its future undertakings.

II

The Assembly endorses the declaration of the rights of the child, commonly known as the Declaration of Geneva, and invites the States Members of the League to be guided by its principles in the work of child welfare.

*Declaration of Geneva.*

"By the present Declaration of the Rights of the Child, commonly known as the Declaration of Geneva, men and women of all nations, recognising that mankind owes to the child the best that it has to give, declare and accept it as their duty that, beyond and above all considerations of race, nationality or creed :

"I. The child must be given the means requisite for its normal development, both materially and spiritually;

"II. The child that is hungry must be fed; the child that is sick must be helped; the child that is backward must be helped; the delinquent child must be reclaimed; and the orphan and the waif must be sheltered and succoured;

"III. The child must be the first to receive relief in times of distress;

"IV. The child must be put in a position to earn a livelihood and must be protected against every form of exploitation;

"V. The child must be brought up in the consciousness that its talents must be devoted to the service of its fellow men."

*Traffic in Opium and other Dangerous Drugs.*

1. The Assembly expresses its deep appreciation of the very valuable work done by the Advisory Committee on Traffic in Opium and other Dangerous Drugs, and adopts its report together with the resolutions embodied therein.

2. The Assembly expresses its satisfaction that the Advisory Committee has been able to work out a series of measures which, although they have not each of them received the approval of all of its members, were considered by the Committee to furnish a satisfactory basis for the work of the second of the International Conferences to be held in November and to prepare the way for a final agreement, and expresses the hope that the result of the work of the two International Conferences will lead to a solution of the great and difficult problems which each Conference, according to the resolutions of the fourth Assembly, will be called upon to consider.

3. The Assembly, taking note of the measures adopted by the Swiss Federal Council and legislative powers for ratifying and giving effect to the provisions of the Hague Convention, and bearing in mind the importance of Switzerland as a manufacturer of the drugs to which Chapter III of the Convention applies, expresses the hope that, as soon as the necessary steps have been taken to put into actual effect in Switzerland the provisions of the Convention, the Council will invite the Federal Council to nominate a representative to take part in the work of the Advisory Committee.

4. The Assembly regrets to note that the more thorough investigations which the Chinese Government in 1922 undertook to carry out with regard to the cultivation of the poppy in China have not, even in the opinion of the Chinese Government itself, yielded adequate and satisfactory reports; and views with the utmost concern the continued production of opium which is now going on in China. The Assembly records its sense of the unsatisfactory character of the official investigations which have been made and of the official reports which have been furnished to the League, and approves of the recommendation of the Advisory Committee that the aid of public opinion should be enlisted through the medium of the Far Eastern Press in an endeavour to solve this grave problem.

5. The Assembly requests the Council to be good enough to ask the Advisory Committee on Traffic in Opium and other Dangerous Drugs whether it considers it desirable and expedient that the work undertaken by the League of Nations in connection with the traffic in opium, under Article 23 of the Covenant, should be completed by the preparation of a scheme of propaganda to acquaint the masses with the terrible consequences resulting from the use of dangerous drugs, and thereby to restrict the consumption of such drugs. Should the Advisory Committee be of opinion that it is desirable and expedient to prepare such a scheme, the Assembly of the League of Nations requests the Council to submit the scheme to it at its next session, and to indicate what measures are required in order to carry it into effect.

6. The Assembly, in the interest of the work of the Advisory Committee on the Traffic in Opium and other Dangerous Drugs and in order to make this work more effective, expresses a wish that the Council may take the necessary steps to ensure that a member belonging to one of the Latin-American countries be appointed to this Committee.

*International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster.*

The Assembly :

Reiterating the tribute paid by the preceding Assembly to the noble initiative and perseverance of M. Giovanni Ciralo, delegate of Italy, President of the Italian Red Cross, and author of the scheme for establishing an international union against calamities;

Whereas his proposal is in harmony with the spirit of international solidarity by which the League of Nations is inspired, and provides, in accordance with Article 25 of the Covenant, for the fruitful utilisation of the International Red Cross Organisation for works of peace;

And whereas this proposal has been received with sympathy by the Governments to which it has been submitted;

But, by reason of the reservations made by a certain number of these Governments, still requires exhaustive investigation before it can be carried into effect :



Decides :

1. That a Preparatory Committee, appointed by the Council of the League of Nations in accordance with the terms of Article 2 below, be instructed to determine, in conjunction with the Secretariat :

(a) The exact sphere within which the proposed international union would be called upon to take action, *i.e.*, the kinds of calamity in respect of which it would intervene, and the extent of the relief which it would grant in cases of extreme urgency;

(b) The needs which would have to be met, estimated on the basis of the information immediately available regarding the funds included in the budgets of States, provinces or municipalities, or subscribed by private persons for the relief of such calamities of late years and of estimates to be supplied by insurance experts;

(c) The approximate contribution which would in these circumstances appear to be necessary in order to ensure the execution of this scheme and the amount for which each State would be liable, taking as the basis a proportion corresponding to that of its present contribution towards the expenditure of the League of Nations, without neglecting the possibility of voluntary assistance in the form of donations or bequests.

2 That the Preparatory Committee be formed by obtaining the friendly co-operation of the author of the scheme, of representatives of the International Red Cross Organisations, and technical experts chosen among learned bodies and insurance associations. It will have available, in order to meet its necessary expenditure, the sum of ten thousand francs generously placed at the disposal of the Council by the Italian Red Cross Society, and twenty thousand francs provided by the League of Nations.

3. That the Committee, paying due regard to the investigations and enquiries provided for in Article 1, shall lay before the Council concrete proposals relating alike to the objects in respect of which assistance will be given, and to the nature and extent of such assistance, and, further, to the contribution which each State might be called upon to pay, in order that the Council, after consultation with the various Governments, may submit to the Assembly such resolutions as it considers desirable.

#### *Inter-Municipality.*

Whereas the maintenance of direct relations between the important municipalities of the various countries within the strict limits of national sovereignty, is a new form of co-operation between peoples which will contribute largely to diffusing the ideals which led to the creation of the League of Nations and which guide its work :

The Assembly decides to accept with the greatest sympathy the principle of closer municipal relations which the Santiago Conferences recommended to the Members of the Pan-American Union for adoption;

And requests the Secretariat to draw up in preparation for the sixth Assembly a report on inter-municipal co-operation, on the existing facilities which might be utilised to that end, and on the part which the League of Nations might play in this matter, having regard to the means which might be available and to any facilities provided by other organisations.

#### *Question of Slavery.*

The Assembly, having taken note of the report of the Temporary Committee on Slavery :

1. Decides to express its gratitude to the members of this Committee for their excellent work;

2. Relying completely on the wisdom and tact of this Committee to carry out the delicate and difficult enquiry entrusted to it, approves the programme and the methods of work set forth in the Committee's report.

### **XI. — Forthcoming Events.**

October 23rd : Fifth Session of the Permanent Mandates Commission, Geneva.

November 3rd : First Opium Conference, Geneva.

November 17th : Second Opium Conference, Geneva.

November 18th : Meeting of the Committee of Experts on Tonnage Measurement in Inland Navigation, Geneva.

November 26th : Plenary Session of the Advisory and Technical Committee for Communications and Transit, Geneva.

December 1st : Meeting of the Committee of Experts for Buoys and Lighting of Coasts, Paris.

December 10th : Thirty-first session of the Council, Rome.

December 15th : Preparatory Committee on Economic Statistics, The Hague.

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THE  
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OCTOBER 1924

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Vol. IV. No. 10

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month</i> . . . . .	220	2. <i>Economic and Financial Organisation</i> . . . . .	229
II. <i>The Permanent Court of International Justice</i> . . . . .	221	a) <i>The Financial Reconstruction of Austria</i> . . . . .	229
III. <i>Reduction of Armaments and Military Control</i> . . . . .	221	b) <i>The Financial Reconstruction of Hungary</i> . . . . .	231
1. <i>Decisions in Connection with the Protocol for the Pacific Settlement of International Disputes</i> . . . . .	222	c) <i>Double Taxation and Fiscal Evasion. Fourth Session of the Committee of Government Experts</i> . . . . .	232
2. <i>Other Questions concerning the Reduction of Armaments. Control of the International Trade in Arms, Munitions and Implements of War</i> . . . . .	222	3. <i>Communications and Transit</i> . . . . .	232
3. <i>Exercise of the Right of Investigation of the Council</i> . . . . .	223	VI. <i>Administrative Questions</i> . . . . .	233
IV. <i>General Questions</i> . . . . .	223	1. <i>Nineteenth Report of the Saar Governing Commission</i> . . . . .	233
1. <i>International Agreements</i> . . . . .	223	2. <i>Fifth Session of the Permanent Mandates Commission</i> . . . . .	236
a) <i>Registration of Treaties and International Agreements</i> . . . . .	223	VII. <i>The Protection of Minorities</i> . . . . .	236
b) <i>International Conventions: Adhesions and Ratifications</i> . . . . .	224	1. <i>Moslems of Albanian Origin in Greece</i> . . . . .	236
c) <i>Protocol for the Pacific Settlement of International Disputes: Signatures and Ratifications</i> . . . . .	224	2. <i>Question of the Greek Population in Constantinople</i> . . . . .	237
d) <i>Amendments to the Covenant</i> . . . . .	224	VIII. <i>Political Questions</i> . . . . .	239
2. <i>Erection of a Conference Hall</i> . . . . .	225	1. <i>The Frontier of Iraq</i> . . . . .	239
3. <i>The Committee on the Allocation of Expenses</i> . . . . .	225	2. <i>The Frontiers of Albania</i> . . . . .	242
4. <i>The Greco-Turkish Mixed Arbitral Tribunal</i> . . . . .	225	IX. <i>Social and Humanitarian Questions</i> . . . . .	244
V. <i>Technical Organisations</i> . . . . .	226	<i>Traffic in Women and Children</i> . . . . .	244
1. <i>Third Session of the Health Committee</i> . . . . .	226	X. <i>Publications of the League of Nations</i> . . . . .	244
		1. <i>The Armaments Year-Book</i> . . . . .	244
		2. <i>Statistical Information on the Trade in Arms, Munition and Implements of War</i> . . . . .	245
		3. <i>Memorandum on the Balance of Payments and Foreign Trade Balances, Vol II</i> . . . . .	245
		4. <i>Bulletin of the International University Information Office (No. 4)</i> . . . . .	245
		XI. <i>Forthcoming Events</i> . . . . .	246



## I. — Summary of the Month.

The extraordinary session of the Council from October 27th to 31st, at Brussels, was the principal event of the month.

The thirtieth ordinary session of the Council came to an end on October 3rd. The Health Committee, the Permanent Mandates Committee, the Committee of Experts on Double Taxation and Fiscal Evasion, the Committee on Allocation of Expenses, the Special Committee of Enquiry into the Traffic in Women and Children, the Sub-Committee on Transport by Rail and on Road Traffic also met during the month.

At the close of its thirtieth session on October 3rd, the Council, in connection with the question of the Greco-Albanian and Serbo-Albanian frontiers, adopted certain decisions with a view to maintaining friendly relations between the countries concerned. Important decisions were reached in view of the application of the Resolutions of the Assembly, principally with regard procedure in connection with the Protocol for the Pacific Settlement of International Disputes. This action of the Council concerns mainly the drafting of amendments to the Covenant, the preparation of the Conference for the Reduction of Armaments and the study of the question of sanctions and economic and financial assistance as contemplated in the Protocol. This work was continued at the extraordinary session of the Council.

The extraordinary session was convened at the request of the British Government, in agreement with the Turkish Government, for the purpose of examining the difference of opinion which had arisen between the two Governments with regard to the decision of the Council of September 30th, on the maintenance of the *statu quo* in the district of Mosul. This session was held at Brussels in the Palais des Académies under the Presidency of M. Hymans. The other representatives were: M. Mello Franco (Brazil); M. Quinones de Leon (Spain); M. Briand (France); Lord Parmoor (Great Britain); M. Orsini (Italy); Viscount Ishii (Japan); M. Branting (Sweden); M. Girsá (Czechoslovakia); M. Guani (Uruguay).

The Council settled the difference between Great Britain and Turkey by fixing a provisional boundary between the territories occupied or administered by the Parties. The decisions of the Council should be executed before November 15th, after which date, the civil and military authorities of the Parties will not be able to cross the provisional boundary. The Council further appointed the Commission, whose duty it will be to furnish the Council with the necessary information to enable it to reach a final decision with regard to the frontier between Turkey and Iraq.

On the agenda figured also the question of the Greeks in Constantinople, which had been referred to the Council by the Greek Government. The Council heard statements by the Turkish and Greek representatives and by the Chairman of the Mixed Commission for Exchange. It suggested that the Commission, in whom both Governments had expressed their confidence, should, if necessary, consult the Permanent Court of International Justice with regard to legal points it was unable to solve. The Council further requested the Commission to send in, for its information, periodical reports.

The Health Committee, at its October session, reviewed the progress of the work of its numerous Sub-Committees in questions relating to opium and other drugs, anthrax; sleeping sickness and tuberculosis in Equatorial Africa, malaria and the standardisation of sera and biological remedies. It drew up a draft convention on the sanitary supervision of navigable waterways and studied a draft convention for the simplification of quarantine formalities. The Committee further drew up a programme for the interchange of public health officials in 1925.

The Committee of Government Experts for the study of Double Taxation and Fiscal Evasion continued the work on its report for the Financial Committee.

The Sub-Committee for Transport by Rail considered what steps should be taken in view of the forthcoming entrance in force of the General Convention on the International Regime of Railways (Geneva, December 1923).

The Committee on Road Traffic adopted a scheme for submission to an International Conference on the revision of the Convention of 1909.

The Mandates Commission began its examination of the annual reports of the Mandatory Powers. Among these figure for the first time reports on Palestine and Syria.

## II. — The Permanent Court of International Justice.

*Appointment of Members of Chambers of the Permanent Court for cases relating to labour, transit and communications.* — In accordance with Articles 26 and 27 of its Statute and Article 14 of its Rules of Procedure, the Permanent Court of has constituted as follows its International Justice Chambers for cases relating to labour, transit and communications (1925-1927) :

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Deputy Members . . . . .	M. Anzilotti M. Huber

These appointments will date as from January 1st, 1925, and end on December 31st, 1927.

## III. — Reduction of Armaments and Military Control.

At its meetings of September 30th and October 3rd (Thirtieth Session) and October 28th (Thirty-first Session) the Council took a certain number of decisions with a view to giving effect to the Assembly resolutions concerning the Protocol for the Pacific Settlement of International Disputes and other questions in connection with the reduction of armaments.

# 1. — DECISIONS OF THE COUNCIL IN CONNECTION WITH THE PROTOCOL FOR THE PACIFIC SETTLEMENT OF INTERNATIONAL DISPUTES

The Council had to consider the preparatory work for the Conference on the Reduction of Armaments as well as the application of the principles of collaboration, mutual aid and assistance of every kind as laid down in the Protocol.

On October 3rd the Council decided to carry on simultaneously the work on the reduction of armaments properly speaking and the economic and financial work (sanctions and co-operation).

In his report to the Council, M. Benes emphasised that the work in connection with the Protocol imposed upon the Council a number of duties and responsibilities as a result of which it would have constantly to exercise its particular duty of directing and co-ordinating the work of the various organisations of the League. In order to direct and co-ordinate the preparatory work for the Conference, the Council will constitute itself a Preparatory Committee, to the meetings of which the titular members of the Council may send deputies if they cannot themselves be present.

At its meeting of October 3rd, the Council decided that the first meeting of the Preparatory Committee should be held on November 17th, but as a result of certain difficulties in connection with this date, it postponed to its December session the preparatory work for the Conference.

In the meantime the Secretary-General invited the Governments to furnish in time for that meeting any suggestions they might wish to make as regards the programme of preparatory work. The Secretariat will further collect the material necessary for the technical study of the questions connected with economic and financial sanctions on the one hand and economic and financial co-operation on the other, and will communicate this material to the competent League organisations. This material will be drawn from official documents. After the December session, the Preparatory Committee of the Council will pursue and complete its work. The power of final decision is vested in the Council.

The Council further decided to re-organise the Temporary Mixed Commission with a view to its participation in the work of co-ordination. The Commission thus constituted will be known as the Co-ordination Commission and will be composed as follows :

- (a) The Committee of the Council (ten members), assisted by;
- (b) The Chairman and one or two members of each of the three organisations, Economic, Financial and Transit (six members);
- (c) Six members appointed by the Permanent Advisory Commission (six members);
- (d) Two members of the Employers' Group, and two members of the Workers' Group of the Governing Body of the International Labour office, appointed by the latter.
- (e) If considered advisable, a certain number of experts, jurists and others, appointed by the Council.

The Co-ordination Commission will have no power of final decision. Its duties will mainly consist in regulating the liaison and co-operation between the competent League organisations, in reviewing their reports and in co-ordinating the results of their work in order to present them in complete form.

## 2. — OTHER QUESTIONS CONCERNING THE REDUCTION OF ARMAMENTS. CONTROL OF THE INTERNATIONAL TRADE IN ARMS, MUNITIONS AND IMPLEMENTS OF WAR

On September 30th, the Council, acting on the report of M. Benes, authorised the Secretary-General to submit to the Governments of States Members and

non-Members of the League the draft Convention relating to the control of the international trade in arms, munitions and implements of war drawn up by the Temporary Mixed Commission for eventual discussion by a Conference.

For this purpose the Secretary-General has communicated to the various Governments the report of the Temporary Mixed Commission and also its minutes relating to the discussion of Article 9 of the draft convention, which deals with the question of establishing prohibited zones.

On this occasion, the Persian representative, Prince Arfa-ed-Dowleh, stated that Persia was determined to repress within her territory all illicit traffic in arms, but that she would do so as a sovereign State. For this reason, his Government could not admit that the Conference should insert the name of Persia as a prohibited zone in Article 9, where it would figure among colonies and territories under mandate.

The Council instructed the Secretariat to ensure the periodical publication of statistical data concerning the trade in arms, munitions and implements of war and of the military yearbook. The discussion of the Assembly resolution on the private manufacture of arms, munitions and implements of war was postponed to its December session.

### 3. — EXERCISE OF THE RIGHT OF INVESTIGATION OF THE COUNCIL

The Council, on October 28th, noted a letter from the Acting President of the Permanent Advisory Commission, Admiral de Souza e Silva (Brazil), to the effect that, in view of the establishment of the lists of experts for the organisation of the right of investigation of the Council it would be advisable that the Commission should know which of the States bordering on Bulgaria would eventually be represented on the Commission of Investigation for Bulgaria.

The scheme adopted by the Council <sup>(1)</sup> provides *inter alia* for the constitution of special Commissions of Investigation, whose members are chosen by the Council from a list of experts drawn up by the Governments represented on the Council. Should the Council not include any representative of a State signatory of the treaties of peace and, at the same time, bordering on the State subject to investigation, the Council will select a State from this category.

With regard to the States bordering on Bulgaria, the Council as at present constituted, does not include any of the States signatories of the peace treaties and bordering on Bulgaria (Greece, Roumania, Serbo-Croat-Slovene Kingdom). The Council, therefore, will nominate one of these States for the above purpose.

## IV. — General Questions.

### 1. — INTERNATIONAL AGREEMENTS

#### a) *Registration of Treaties and International Agreements.*

Among the treaties and international agreements registered during the month with the Secretariat figure :

The London Agreements on Reparations comprising two agreements between the Allied Powers and Germany and two Inter-Allied agreements, presented for registration by the British Government.

The Memel Convention concluded as a result of the agreement reached by the Council in March last by the Principal Allied and Associated Powers and Lithuania, presented for registration by the French Government.

(1) See *Monthly Summary*, Vol. IV, No. 4, p. 174.

Proposals of the Greek and Bulgarian Governments with regard to the protection of minorities in their respective territories (1).

A series of commercial, maritime and postal treaties between Finland and Denmark, France, Poland, Russia, Sweden and the United States, presented for registration by Finland;

A Convention relating to the institution of a Commission of Conciliation, concluded by Finland and Norway, presented for registration by the Parties;

Frontier and frontier traffic agreements between Norway and Finland, presented for registration by the Parties, and

Agreements concerning assistance for unemployed, concluded by Austria and Germany, presented for registration by the Parties.

*b) International Conventions : Adhesions and Ratifications.*

The following ratifications of International Conventions were effected during the month :

The International Convention for the Suppression of the Circulation in and Traffic in Obscene Publications, by the Albanian Government;

The Convention and Statute on Freedom of Transit, by the Polish Government;

The International Convention for the suppression of the Traffic in Women and Children, by the Uruguayan Government.

*c) Protocol for the Pacific Settlement of International Disputes.  
Signatures and Ratifications.*

Belgium, Brazil, Chile and Paraguay have signed the Protocol for the Pacific Settlement of International Disputes. The total number of signatures received up to now is fourteen.

The Czechoslovak Government has informed the Secretariat that the Protocol was ratified on October 28th by the President of Czechoslovakia. This is the first ratification to have taken place.

*d) Amendments to the Covenant.*

The Fifth Assembly, on October 2nd, adopted a resolution requesting the Council forthwith to appoint a Committee to draft the amendments to the Covenant contemplated by the Protocol for the Pacific Settlement of International Disputes.

On October 3rd, the Council, acting on the report of M. Salandra (Italy), decided that the members of the Committee should be appointed by the President of the Council after consultation with his colleagues.

In the course of its extraordinary session in Brussels, the Council decided, on the proposal of its President, M. Hymans, that the Committee of Jurists should be composed of nationals of the four States, Permanent Members of the Council (France, Great Britain, Italy and Japan), M. Fernandes, an eminent jurist, who represented Brazil on the First Assembly Committee and a Swedish jurist, as national of a State non-signatory of the Treaty of Versailles. M. Hymans recalled that representatives of non-signatory States were specially consulted at the time of the drafting of the Covenant.

The Committee of Jurists is thus composed of six members. The date of its meeting will be fixed by the Council at its December session.

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(1) See Monthly Summary, Vol. IV, No. 2, p. 193.

## 2. — ERECTION OF A CONFERENCE HALL

On October 28th, the Council decided that the jury for the competition for the construction of a League Conference Hall on the site presented by the Canton and City of Geneva should be composed of six architects from Austria, Belgium, France, Great Britain, Italy and Switzerland. The competition will be confined to architects who are nationals of States Members of the League.

The Council instructed the Secretary-General to appoint the Building Committee subject to the approval of the President of the Council.

## 3. — THE COMMITTEE ON THE ALLOCATION OF EXPENSES

The Committee on the Allocation of Expenses met in Geneva on October 30th and 31st.

*The Members present were :*

M. Réveillaud (Chairman), M. Barboza Carneiro, M. Jancovici, Mr. Nixon (replacing Mr. Philips), M. Soleri, M. Sugimura, M. Roussin (replacing Sir Henry Strakosch), M. Zahle.

In accordance with the instructions of the Fifth Assembly the Committee had to determine the contribution of the Dominican Republic and to distribute in such a way as it might consider equitable the units rendered available by the accession of the Dominican Republic and by the resumption of payment by the Argentine Republic.

The Committee fixed the contribution of the Dominican Republic at one unit. After hearing the Chinese, Hungarian, Norwegian, Roumanian, Persian, Portuguese and Czechoslovak representatives, who requested that the contributions of their countries might be reduced, the Committee distributed thirty-three of the thirty-six available units amongst the following States, whose position is now as follows :

China . . . . .	reduced from 65 to 50 units
India . . . . .	» » 65 » 60 »
Brazil . . . . .	» » 35 » 33 »
Czechoslovakia . . . . .	» » 35 » 33 »
Portugal . . . . .	» » 9 » 7 »
Roumania . . . . .	» » 29 » 27 »
Greece . . . . .	» » 9 » 8 »
Haiti . . . . .	» » 2 » 1 »
Norway . . . . .	» » 11 » 10 »
Persia . . . . .	» » 6 » 5 »
Serb-Croat-Slovene Kingdom . . . . .	» » 26 » 25 »

The three remaining units were added to the total scale, which is thus raised from 932 to 935, the cost of a unit to each State Member being proportionately reduced.

## 4. — THE GRECO-TURKISH MIXED ARBITRAL TRIBUNAL

In a telegram, dated October 24th, the Greek Government informed the Council that the Turkish Government had not yet appointed its representative on the Mixed Arbitral Tribunal, provided for by the Treaty of Lausanne, and requested the Council, in accordance with Article 92 of the Treaty, to proceed to this appointment.

Article 92 stipulates that, if, two months after the coming into force of the Treaty, one of the Governments concerned has not appointed its representative on the Tribunal, the Council shall proceed to the appointment, if the other party so requests.

On the proposal of M. Hymans, the Council, on October 28th, noted the request of the Greek Government, which it decided to communicate to the Turkish Government, and to place on the agenda of its next session. M. Hymans was of opinion that the Council might then, if necessary, consider the matter; but that it would be glad if by that time, it were established that its intervention had become superfluous, and that in accordance with the Treaty, the Turkish member of the Tribunal had been appointed by the Government concerned.

## V. — Technical Organisations.

### 1. — THIRD SESSION OF THE HEALTH COMMITTEE

The Health Committee held its third session from September 29th to October 4th at Geneva. The members present were :

Professor T. H. Madsen, Chairman (Denmark); Sir George Buchanan, Vice-Chairman (Great Britain); M. O. Velghe, Vice-Chairman (Belgium); Professor Léon Bernard (France), Professor Cantacuzene (Roumania), Dr. Carrière (Switzerland), Dr. Chagas (Brazil), Dr. Chodzko (Poland), Dr. Alice Hamilton (United States), Dr. Jitta (Holland), Professor Ricardo Jorge (Portugal), Dr. Lutrario (Italy), Dr. Mimbela (Peru), Professor B. Nocht (Germany), Professor Ottolenghi (Italy), Professor Pittaluga (Spain), Dr. Raynaud (France) and Dr. Tsurumi (Japan).

On this occasion the Committee welcomed its new American member, Dr. Alice Hamilton, and Professor Cantacuzene, who took their seats for the first time, and elected Professor Léon Bernard and Dr. Lutrario Vice-Chairmen, to hold office for one year from January 1st, 1925. The retiring Vice-Chairmen are Sir George Buchanan and Surgeon-General H. S. Cumming <sup>(1)</sup>.

### *Relations with the Office International d'Hygiène Publique.*

The Committee considered the fifth resolution of the Assembly, suggesting that it would be desirable were the Health Committee to transmit to its Advisory Council—the Permanent Committee of the Office International d'Hygiène Publique—its annual report at a date permitting the Advisory Council to comment on it in time for the next meeting of the Assembly <sup>(2)</sup>, and the request of the Council for a report on the matter.

After thorough consideration, the Health Committee adopted a report declaring that in view of the fact that half its members were *ex officio* contributed by the Office International and some of its other members also belonged to that body, it should be easy to establish the closest possible relations between the two organisations, particularly as the meetings of each were fixed by agreement between the Presidents of both. Consequently, full effect could be given to the Resolution of the Assembly without changing the date of the transmission of the annual report of the Health Committee to the Permanent Committee of the Office International d'Hygiène Publique.

(1) It will be remembered that two of the three vice-presidencies of the Health Committee are held by election for periods of one year. The third vice-president—M. O. Velghe (Belgium)—holds his post *ex officio* as President of the Permanent Committee of the Office International d'Hygiène Publique, which is the advisory council of the League Health Organisation.

(2) For the text of this resolution and the interpretation put upon it by three delegations, see last No. of the *Monthly Summary*.

*Collaboration with the Opium Committee.*

The Health Committee adopted the report prepared by the Sub-Committee it had appointed at the request of the Advisory Committee on Traffic in Opium and of the Preparatory Committee for the International Opium Conferences, giving data in support of the estimated figure of 450 mg. of raw opium and 7 mg. of cocaine per inhabitant, per year, as the maximum for legitimate requirements of European countries possessing a well-developed medical service.

The Health Committee further decided to request the opinion of doctors in different countries as to whether the therapeutic value of heroin is sufficient to outweigh the social dangers which its abuse entails; recommended that propaganda against the abuse of cocaine and morphine should be confined to doctors and medical students, as it might otherwise do more harm than good by arousing unhealthy curiosity; and recommended that consideration should be given to the question whether preparations containing less than .2 % of morphine or .1% of cocaine or heroin should not also come under the provisions of the Hague Opium Convention.

*Collaboration with the International Labour Office.* — The Health Committee approved the report submitted by the Mixed Committee formed by members of the International Labour Office and of the Health Committee to study the question of the disinfection of leather and hides against anthrax. The report recommends that members of the Mixed Committee should study in their own countries the various methods of disinfection with a view to comparing their value, and that national committees should be constituted in Belgium, France, Germany, Great Britain and, perhaps, Switzerland and the United States, for the purpose of conducting further investigations. The liaison between these organisations and the Mixed Committee should be assured by the International Labour Office.

*Collaboration with the Committee on Communications and Transit.* — The Waterways Sub-Committee, formed by the Health Committee in conjunction with the Committee on Communications and Transit, presented a report and draft model convention which were approved by the Health Committee. The draft convention will be communicated to the *Office International* with the request that it be studied and transmitted to the Governments concerned, and with the information that the Health Committee is at the disposal of Governments desiring further technical investigations with a view to concluding special conventions based on this draft.

*Simplification of Quarantine Formalities.* — The Health Committee, in pursuance of the proposal of the Dutch Government with regard to the simplification of quarantine formalities, decided to frame a model convention that might serve as a basis for the conclusion of special conventions as suggested in Article 41 of the International Sanitary Convention (Paris), for the purpose of eliminating the unnecessary repetition of sanitary measures on ships. The Dutch and Belgian members of the Committee stated that they were ready to recommend such a model convention to the attention of their Governments.

*Health Instruction.* — The Health Committee adopted the report of its Sub-Committee on Instruction in Public Health, suggesting a programme for 1925 to comprise, notably, the collection of information as to the methods of public health instruction in European and perhaps also Canadian and American universities.

*The Malaria Enquiry.*

The Malaria Commission submitted a provisional report on its investigation in the Kingdom of the Serbs, Croats and Slovenes, Greece, Bulgaria, Roumania,



Russia and Italy. The final report, which is being prepared for the end of this year, will contain exhaustive information as to the incidence of malaria and the methods used to combat it in all countries visited, together with conclusions and recommendations, and will be accompanied by special reports referring to each one of the countries visited.

At the same time, the Health Committee considered the first reports of its *small Committee of Experts on the problem of quinine*, and decided to recommend that attempts should be made in different countries to try the effect of the various cinchona alkaloids, of which quinine is only one. If other alkaloids, *e.g.* cinchonin, as well as quinine, could be used in malaria cases, the advantages would be obvious. The countries in which it is proposed to try the new methods are Algeria, Spain, Italy, and Roumania. The experiments will be conducted under the auspices of the Malaria Commission and with the aid of material furnished by the Commission so as to ensure uniformity of conditions. The Malaria Commission will continue its study of the incidence of malaria in Europe by establishing relations with experts and corresponding members and by an investigation in Sicily, Tunis, Algeria, Morocco, Spain and Portugal in 1925.

*Technical Aid to the Albanian, Persian, and Greek Governments.* — The Health Committee also studied the reports on health conditions in Albania and Persia prepared by technical advisers sent to these countries at the request of their respective Governments.

The Committee carefully considered various reports dealing with the sanitary conditions of the Greek and Turkish populations subject to exchange in virtue of the Lausanne Treaty. On the basis of this information, the Health Committee concluded that the gravity of the sanitary conditions was beyond doubt, but that their improvement depended entirely upon an improvement in the economic circumstances of the refugees, as well as on the setting up of a modern and effective public health service. The Committee asked that these conclusions should be transmitted by the Council to the Greek Government and a copy communicated to the Greek Refugees Settlement Commission, with the request that the latter should, in conjunction with the Greek Government, decide what practical steps could be taken immediately to improve the situation of the refugees. The Council was further requested to authorise the Health Organisation to appoint an expert, if the Greek Government so desired, to give technical aid in establishing an effective health service.

*Sleeping Sickness and Tuberculosis in Africa.* — The Committee, after considering the report of its Sub-Committee on Sleeping Sickness and Tuberculosis in Equatorial Africa, asked the Council to recommend to the Governments concerned that they should encourage conferences between the governors and the health officials in the affected territories, and organise a regular exchange of information on all matters concerning the spread and incidence of sleeping sickness. The Committee offered its services, should a conference be held, and drew attention to the desirability of maintaining a medical service proportionate to the population and areas to be dealt with. It recommended a programme of technical research with regard to certain questions connected with the origin and spread of sleeping sickness and the sending of an international expedition of experts for this purpose.

*The Epidemiological Intelligence Bureau at Singapore.* — The Committee approved the preparatory work for the opening of the Epidemiological Intelligence Bureau at Singapore, and, notably, the organisation of a conference of health official from the countries concerned, which will be held at Singapore at the beginning of next year. Dr. Norman White will attend the conference on behalf of the Health Organisation.

*Tuberculosis.* — The Committee instructed the Health Section of the Secretariat to prepare a preliminary report to serve as a basis for the adoption of a programme of investigation with regard to the problem of combating tuberculosis, as requested by the fifth Assembly, and asked its Chairmen and Vice-Chairmen to follow closely the preparatory work. A suggestion of the Japanese member that the Committee would study the standardisation of tuberculine and the methods for preventive and early treatment, was adopted. The question of the standardisation of tuberculine was referred to the Permanent Sub-Committee on the Standardisation of Sera and Serological Tests.

*Interchanges of Public Health Officials.* — When approving the system of interchanges for 1925, the Health Committee paid special attention to the question of the organisation of a South American Interchange, in which ten health officials from South American countries, appointed by their respective health administrations, would study the working of the American, Canadian, British and two or three continental health services under the auspices of the League Health Organisation.

*Other Questions.* — The Chairman of the Health Committee, Professor Madsen, reported on the progress achieved in the standardisation of certain tests. The Committee noted the information collected as to the reasons for the differences in the incidence of cancer in Great Britain, Holland and Italy and the steps taken for the pursuance of this inquiry.

The consideration of the resolutions referred to the Committee by the Rome Conference on Emigration was adjourned to the next session of the Committee.

With regard to the questions of child welfare and the collection of information on physical education in different countries with a view to making the best methods universally known and adopted, the Committee studied what steps should be taken to give effect to the resolution of the fifth Assembly. It asked that the Council should take the necessary measures to ensure the representation of the Health Committee on the reconstituted Advisory Committee which will deal with the question of child welfare.

A proposal of Dr. Chodzko, that information should be collected on the existing regulations for disinfection in various countries, and suggestions for bringing these regulations up to date in the light of the advance of medical science and the experience gained in the war, were adopted by the Committee.

## 2. — ECONOMIC AND FINANCIAL ORGANISATION

### a) *The Financial Reconstruction of Austria.*

(Information received from the Commissioner-General Office.)

The Agreement concluded on September 16th at Geneva by the Austrian Government, the League Financial Committee and the Commissioner-General marked the beginning of a new phase of the financial reconstruction of Austria. The Austrian Government, during the past weeks, took preliminary measures in view of the preparation of the necessary laws and administrative decrees for the execution of the Agreement.

*The Budget for 1925.* — The first measure of the Austrian Government was to prepare, in accordance with the Agreement, the budget for 1925, shewing maximum expenditure of 495,000,000 gold crowns plus 50,000,000 gold crowns for

investments. On October 21st, the Minister of Finance submitted to the Austrian Parliament the following estimates :

	EXPENDITURE	REVENUES	DEFICIT OR SURPLUS
	(Million gold crowns)		
Current expenses . . . . .	494.8	508.3	+13.5
Investments . . . . .	50	4.2	—54.2
TOTAL . . . . .	544.8	504.1	—40.7

Thus, in accordance with the terms of the Agreement, the regular expenditure is less than 495 million gold crowns, and the total deficit is less the sum put aside for investments. The Commissioner-General is only authorised to liberate funds for investments in so far as the Austrian Government cannot itself provide the necessary cover and the deficit does not exceed the total for productive investments.

*Reforms.* — In September, the Austrian Parliament passed a law on the re-organisation of the customs tariffs, modifying the import duties on certain raw materials and manufactured products. This measure is subject to modification by special treaties of commerce. The Government, with a view to executing the terms of the Geneva Agreement, is preparing a series of reforms bearing on the reduction of the tax on bank and exchange transactions, the reduction of the rates charged by private banks, the reduction of the tax on associations, etc.

*Dismissal of Officials.* — The total number of officials dismissed since October 1st, 1922, is 70,724. This figure shows an increase of 753 on the August returns.

*Monthly Budget estimates.* — The September and October budget estimates shew the following figures :

September.	Milliards paper crowns	Millions gold crowns
Expenditure . . . . .	764	53
Revenues . . . . .	740	51.4
Deficit. . . . .	24	1.6

October.	Milliards paper crowns	Millions gold crowns
Expenditure . . . . .	805.1	55.9
Revenues . . . . .	740.9	51.4
Deficit. . . . .	64.2	4.5

These estimates provide for an increase of 40.2 milliard paper crowns in the October deficit. This is due in part to expenditure in connection with increased unemployment, pensions for railway officials, and the electrification of railways.

The yearly budget, if calculated in accordance with the present figures, would amount to 671 million gold crowns. In order to decrease the expenditure to a figure of 545 millions as laid down in the Geneva Agreement the Austrian Government will have to display considerable energy.

*Assigned Revenues.* — The gross returns from the Customs and the Tobacco Monopoly were 22.7 million gold crowns in August and 23 millions in September. A sum of 5 million gold crowns suffices for the service of the loan.

*General Situation.* — The number of unemployed—65,282 in August—has increased to 77,968 (45,259 in Vienna and suburbs).

The bank and savings bank deposits have increased from 115.4 million gold crowns at the beginning of September to 120.5 millions at the beginning of October.

The cost of living index has risen by 1 % since August.

The balance-sheet of the Austrian National Bank of October 15th shows note circulation of 7,667 milliard paper crowns (632.4 million gold) with 51.3 % cover in gold and foreign currencies. With current accounts of 1,130 milliard paper (78.4 million gold) total commitments of 8,797 milliard paper (610.8 million gold) are shown to be covered to the extent of 44.7 %.

The August trade balance shows a considerable improvement. The excess of the imports over the exports has fallen from 80.5 to 67.9 million gold crowns. This result is due principally to an increased exportation of raw material and finished goods.

### b) *The Financial Reconstruction of Hungary.*

(Information received from the Commissioner General's Office)

The monthly deficits of the Hungarian budget have decreased since the beginning of the financial year (July 1st) in a manner that confirms the forecast contained in the reconstruction plan. The plan provides for a deficit of 42.5 million gold crowns for the half year ending December 31st, 1924, corresponding to a monthly average of slightly over 7 million gold crowns. This figure was very considerably exceeded in the budget estimates for July, August and September, but the provisional accounts show that in reality the deficit both for August and September was well below 7 million gold crowns. The estimates for October included a deficit below the monthly average contemplated by the plan, and the actual revenues during the month give fair promise that the closed accounts will show a result at least as favourable as the estimate. November and December, two of the best months of the year from the fiscal point of view, may be expected to produce an actual surplus of receipts. Consequently, the total deficit for the six months should be within the figure given in the plan. Thus there is a good prospect of Hungary's entering upon the first half of 1925, which corresponds to the third stage of the reconstruction programme, without having overstepped the limits laid down for the earlier stages.

The returns of the National Bank show a slow but steady increase in metal reserve and discounts, and also in note circulation and sight liabilities, the percentage of cover for the note circulation remaining at the same point as a month ago (54 % as compared with 20 % required by the Statutes).

*Pledged Revenues.* — The pledged revenues for September were higher than in August, and October has so far brought no decrease. It may be expected that when the winter stocks have been purchased there will be a decrease in the customs receipts. A fall in the yield of the tobacco monopoly may also be contemplated, the late autumn being usually a slack season for tobacco sales.

These revenues have been coming in for the last few weeks at a rate which far exceeds all estimates, and stand at present in a proportion to the ordinary State receipts that will probably not be maintained indefinitely, though there is every reason to believe that they will continue to be entirely satisfactory from the point of view of security for the State loan.

*General Situation.* — Early in October a step was taken in the direction of free commercial intercourse by the removal of import prohibitions on the principal textiles. The list of manufactured articles, the import of which is allowed on the payment of duties, is now longer than the prohibited list, and decrees allowing the importation of further groups of articles are expected in the near future.

Business is still dull; a long period of currency depreciation had resulted in the establishment of a much larger number of trading and banking firms than the size of the country warranted, and the process of stabilisation demands certain

readjustments. Prices, though on the whole they have not increased since the currency was stabilised in June, are higher in terms of gold than they were during the depreciation period, a fact which tends to obscure the enduring advantages of stabilisation.

Such figures as are available show no increase in the number of unemployed; on the contrary, the most recent returns report a decrease. Deposits in postal savings banks, though still very small, have been steadily rising. Over 50 % more foreign business is being done this year than last, and though the balance of trade is still unfavourable, the excess of imports over exports for the first eight months of this year is smaller than it was for the corresponding period last year. Great disappointment was felt when the cereal crop, which had promised to be an exceptionally good one, was reduced by bad weather conditions just before the harvest to approximately the average of the post-war years up to 1923, which was an unusually good one. But the autumn crops—maize, sugar-beet, and potatoes—beat all previous records this year, and though they are not all cash crops, their influence will be a real factor in an economic situation, the precise outlines of which it is too early to attempt to describe at present, but which perhaps contains more promise than the troubles attendant upon readaptation to stable currency conditions at present allow the country to realise.

### *c) Double Taxation and Fiscal Evasion.*

Fourth Session of the Committee of Government Experts.

The Committee of Government Experts appointed by the Council to study, from a practical and administrative point of view, the question of double taxation and fiscal evasion met from October 20th to 27th at Geneva with M. d'Aroma (Italy) in the chair. The other members present were M. Blau (Switzerland), M. Borduge (France), Mr. Canny (Great Britain), M. Clavier (Belgium), M. Sinninghe Damste (Netherlands), and M. Valnicek (Czechoslovakia).

The Committee received a delegation of the League Sub-Committee on Ports and Maritime Navigation, composed of M. Clemenson, Director General of the Chamber of Shipping of Great Britain and M. Palanca, a Genoese shipowner, who explained the desiderata of the maritime transport industry with regard to the double taxation of navigation concerns. The Committee made a special study of this subject, which is the last on the list of those to be examined in connection with double taxation.

With regard to the question of fiscal evasion, the Committee continued its work in connection with a) the exchange of information by the administrations of the different countries, b) administrative and legal assistance for the collection of taxes.

At its next session, the Committee hopes to finish its work and to present to the Financial Committee its general report and resolutions.

## 3. — COMMUNICATIONS AND TRANSIT

### *Meeting of the Sub-Committee for Transport by rail.*

The Sub-Committee for transport by rail of the Committee on Communications and Transit met at Paris from October 21st to 23rd with M. Sinigaglia (Italy) in the Chair.

The following countries were represented : Chile, China, France, Germany, Great Britain, Greece, Italy, Spain.

The Sub-Committee discussed the measures necessary for the forthcoming application of the General Convention on the International Regime of Railways

(Geneva, December 1923) specially in regard to the establishment of international tariffs, and decided to ascertain the views of railway customers on the present situation as far as international traffic, tariffs, charges of all kinds and rapidity are concerned.

The Sub-Committee further examined what steps should be taken in pursuance of the resolution of the Rome Conference on Emigration with regard to the transport of emigrants by rail.

### *Special Committee on Road Traffic.*

The special Committee on Road Traffic met in Paris from October 27th to November with M. Stievenard (Belgium) in the Chair.

The Committee adopted a new scheme for the standardisation of international traffic regulations and the simplification of frontier formalities. This scheme will be submitted to a conference to be convened in 1925 for the revision of the Convention of 1909.

## VI. — Administrative Questions.

### 1. — NINETEENTH REPORT OF THE SAAR GOVERNING COMMISSION

The Governing Commission of the Saar Territory has forwarded to the Secretary-General of the League its quarterly report, dealing with the period from July 1st to September 30th, 1924. A summary of this report is given below.

#### A. ECONOMIC AND SOCIAL SITUATION

During the period covered by the report the output of the Saar local mines was as follows :

July . . . . .	1,351,586 tons
August . . . . .	1,301,259 "
September . . . . .	1,264,164 "

The metallurgical production being :

	Pig Iron	Steel
June . . . . .	107,315 tons	104,099 tons
July . . . . .	112,864 "	117,880 "
August . . . . .	123,335 "	128,796 "

The shortage of credit from which the Territory is suffering appears to be less acute; the rate of interest has fallen and trade is somewhat better.

Unemployment decreased in July (1,283 unemployed) and August (1,189), the percentage of unemployed to employed being 0.65 and 0.60 respectively.

In this connection an incident of some gravity took place in September. Steelworks employing over 6,000 workmen gave notice on September 1st last that the whole of its staff would be discharged on September 15th, as the losses sustained by the undertaking made it impossible to continue unless the price of coal was considerably reduced and the output of the firm largely increased. The directors asked that the working day should be increased to more than eight hours in the case of all workers not uninterruptedly engaged at the furnaces.

The Governing Commission at once took the necessary measures. The unemployment grants were increased by 100 % and employment was found for several

thousand workmen. Special instructions were given for the prompt preparation of a decree dealing with the question of the eight hours' day.

A draft decree concerning the creation of a Labour Chamber containing an equal number of representatives of workers and employers has been submitted to the employers' and workers' organisations for their opinion.

## B. POLITICAL SITUATION

The Advisory Council, during the session which came to an end on July 17th, concluded the examination of various draft decrees of a fiscal character and the draft decree regarding picketing.

The Governing Commission issued a decree on July 15th, 1924, which is mainly based on a British law, and which cancels by its first article the decree of May 2nd, 1923 prohibiting picketing. The new decree recognises the legality of picketing, but gives sufficient power to the Courts to prevent any abuse.

## C. ADMINISTRATIVE ACTIVITY

*Traffic.* — To facilitate traffic 4,200 passports, 7,400 safe-conducts, and 4,000 frontier passes were issued. More than 60,000 persons are at present in possession of unexpired Saar passports or safe-conducts enabling them to travel in all countries. Entrance permits were issued to 29,000 German nationals, 1,000 of whom have received permission to reside permanently in the Territory. 340 new motor vehicles were registered.

*Housing.* — With a view to alleviating the housing crisis in the Saar, a sum of thirteen million francs has been placed at the disposal of the Department of Public Works for the erection of dwellings for officials of the Territory.

*General control of finances.* — Steps have been taken to extend the system of control to the whole revenue of the Territory. The agreement between the Commission and the German Government regarding the settlement of pre-war debts and claims has been ratified by the two Governments concerned (<sup>1</sup>).

*Public Works.* — The railway traffic figures continue satisfactory.

The building of the Customs stations on the Saar-German frontier is progressing normally. It is calculated that five hundred houses will be built for French customs officials.

The canalised portion of the Saar river was re-opened for traffic on July 15th. Shipping continues active; statistics for the quarter April to June show the following movement: 85,661 tons of goods imported, and 231,130 tons exported—the highest figures recorded since 1920.

## D. JUSTICE

*Court for the determination of jurisdiction.* — The Governing Commission has promulgated a decree for the creation of a court for determining jurisdiction, which will consist of four members of the Saarlouis Supreme Court and three members of the High Administrative Court. Its jurisdiction will extend to all matters which, under the laws in force, were within the competence of the Court for determining jurisdiction at Berlin, and the similar Court at Munich.

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*Customs régime.* — The Governing Commission has decided on the creation in the Saarbruck Regional Court of a Customs Court, to have jurisdiction in all Customs matters which, in France, are dealt with by justices of the peace. Generally speaking, the Governing Commission has endeavoured, by its decree, to simplify—and, as far as possible, temper—the application to the Territory of French Customs laws, while at the same time safeguarding the rights and interests of the Customs Administration and the Saar Treasury.

## E. EDUCATION

Cinematograph displays organised by the Education Department and intended for children in the elementary schools from 10-14 years of age are at present being given in eighty different localities throughout the Territory and are attended by children from over 200 schools, situated in 160 communes. Highly satisfactory results have been obtained and the Education Department intends to develop and improve the use of the cinematograph and magic lantern in the Saar schools.

## F. COMMERCE, INDUSTRY, LABOUR AND SOCIAL INSURANCE

The Imports Control Department is endeavouring to facilitate the entry, free of customs duty, of German goods intended for local consumption.

The *Caisse Centrale de Crédit Immobilier*, which was founded at the time of the Saar currency reform, has entered into relations with Saar institutions dealing with mortgages and has placed large sums at their disposal in order that it may take over, to a considerable extent, loans suspended at the time of the depreciation of the mark.

The Artisans Bank, founded by the Governing Commission at the time of the currency reform has granted, since June 1st, 1923, 271 loans to a total value of 617,000 francs.

As regards labour legislation, a decree has been issued on the working hours of young workers in the coal-mines of the Territory. The Department of Social Welfare Insurance is studying certain German laws and regulations on social insurance, with a view to their application, if necessary, to the Saar Territory. Negotiations have been entered into with the Commissariat-General of the French Republic at Strasburg for the conclusion of a Franco-Saar Convention on the reciprocal application of the system of social insurance in force in the Saar Territory and in the three French departments of Moselle, Haut-Rhin and Bas-Rhin, and the renewal of the payment of annuities by Alsace and Lorraine institutions to duly qualified persons domiciled in the Saar Territory.

## G. PUBLIC RELIEF AND SOCIAL HYGIENE

### *Relief for disabled servicemen.*

The Reich law regarding the maintenance of disabled servicemen was introduced into the Saar Territory, with retrospective effect as from December 1st, 1923.

In addition to pensions etc. relief to the value of nearly 400,000 francs was distributed to disabled service men and surviving dependants in the form of medical assistance, grants in money, linen etc. A sum of 140,000 francs was distributed to the men for the purchase of winter supplies and a sum of one million francs has been granted to needy surviving dependants of war victims.



## CONCLUSION

The conclusion of the Report is as follows :

During the third quarter there has been a certain falling—off in the Governing Commission's administrative activities—as is generally the case at this period of the year. The Commission has nevertheless constantly devoted its attention to the economic situation. The steps which it has taken to assist those affected by the closing down of a large industrial establishment, the preparation of a decree on the hours of labour, and the drafting of the statutes for a Chamber of labour further bear witness to its desire to promote not only the economic prosperity of the Territory but also welfare of the working population.

### 2. — FIFTH SESSION OF THE PERMANENT MANDATES COMMISSION

The Permanent Mandates Commission met at Geneva on October 23rd to examine the annual reports on the administration of mandated territories submitted to the Council by the Mandatory Powers.

The session was attended by the following members of the Commission: Marquis Theodoli (Italian), Chairman; M. van Rees (Dutch), vice-chairman; M. Freire d'Andrade (Portuguese), M. Beau (French), Madame Bugge-Wicksell (Swedish), Sir Frederick Lugard (British), M. Pierre Orts (Belgian), and M. Palacios (Spanish). Mr. Grimshaw, representative of the International Labour Organisation, took part in the debates in an advisory capacity. M. Yamanaka (Japanese) who succeeded M. Yanaghita on the Commission, was unable to proceed to Geneva for the session.

On the agenda list of the fifth session figures for the first time the examination of official reports on the administration of Palestine (British Mandate) and Syria and Lebanon (French Mandate). These Mandates came into force on September 29th, 1923. Other annual reports before the Commission deal with the territories of Togoland and the Cameroons, placed under British Mandate, the Pacific islands under Japanese Mandate, Western Samoa (New Zealand Mandate), New Guinea (Australian Mandate), and Nauru (administered by Australia on behalf of the British Empire).

At the first meeting Marquis Theodoli and M. van Rees reviewed the work of the Commission since its last session and the resolutions of the Council and the Assembly with regard to Mandates; in this connection, Marquis Theodoli recalled that the sphere of the Commission had been extended to include Iraq, the special conditions of which had caused the Council to adopt a different solution from those adopted in respect of the other mandated areas.

The Commission then proceeded to examine the annual reports of the Mandatory Powers.

A full account of the work of the fifth session will be published in the November number.

## VII. — The Protection of Minorities.

### 1. — MOSIEMS OF ALBANIAN ORIGIN IN GPELCE

On October 28th, the Council, on a report by M. Quinones de Leon (Spain), declared that it saw no objection to the transport to Turkey, under the responsibility of the Mixed Commission, of 1500 persons whose exchange had been arranged and who were ready to start.

At its foregoing session in September, the Council had requested the Greek Government to avoid creating any *jait accompli* which might prejudice the final solution of the question of Greek Moslems of Albanian origin. In order to comply with this request, the Greek Government held up the departure from Greece of persons subject to exchange, who, in virtue of the Mixed Commission's decision, were to leave the country and had already reached their port of embarkation. As, however, the execution of this order met with certain difficulties, the Greek Government, in a telegram dated October 27th, requested the Council to sanction the departure of these persons, who were homeless and exposed to considerable hardships as regards food supplies and sanitary conditions.

The Council authorised the Greek Government to allow these persons to leave the country, at the same time specifying that the general problem of Greek Moslems of Albanian origin would be reserved for consideration in December.

The Greek Government was represented at this meeting by M. Politis.

## 2. — THE QUESTION OF THE GREEKS OF CONSTANTINOPLE

In a letter dated October 22nd, the Greek Government requested the Council to place on the agenda of its extraordinary session the question of the Greeks of Constantinople. The request of the Greek Government was based on Article XI of the Covenant by virtue of which it is the friendly right of each Member of the League to bring to the attention of the Council any circumstance affecting international relations which threatens to disturb the good understanding between nations.

On January 30th 1923 the Greek and Turkish Governments concluded a Convention concerning the compulsory exchange of Greek and Turkish populations. The application of this Convention is entrusted to a Commission of eleven members; four Greeks, four Turks and three nationals of Powers which did not take part in the war of 1914-1918 (1), the lastnamed chosen by the Council.

The duties of the Commission are to supervise and facilitate the compulsory exchange of Turkish nationals of Greek Orthodox religion established in Turkish territory and of Greek nationals of the Moslem religion established in Greek territory and to carry out the liquidation of the movable and immovable property of the immigrants. It has full power to take the measures necessitated by the execution of the Convention and to decide all questions to which the Convention may give rise.

Article 2 of the Greco-Turkish Convention stipulates that the Greek inhabitants of Constantinople shall not be included in the exchange and that all Greeks established before the 30th October 1918, within the areas under the Prefecture of the City of Constantinople, as defined by the law of 1912, shall be considered as Greek inhabitants of Constantinople.

In its request to the Council the Greek Government stated that, in consequence of a divergency having arisen among the members of the Mixed Commission as to the interpretation of the term "established" employed in Article 2 of the Convention, the first delegate of Turkey had resigned, and that since that moment the Commission had suspended its work; that, nevertheless, the Turkish Government had recently ordered the arrest of certain Greek inhabitants of Constantinople who were Turkish subjects and had placed them in concentration camps as being subject to compulsory exchange, alleging that they were persons established at Constantinople after October 30th, 1918. The Greek Government added that, in its opinion the Turkish Government had violated the Convention by arrogating to itself the powers of the Mixed Commission, by proceeding on its own initiative

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(1) These three members were chosen by the Council of the League of Nations in September 1923. Their names are M. Ekstrand (a Swede) General de Lara (a Spaniard) and M. Widding (a Dane).

and by its own agents to the removal of Greeks whom it alleged to be subject to the exchange, and by giving to the term "established" a meaning which the Greek Government considered to be at variance with that laid down by the Convention and by the minutes of the preliminary negotiations.

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The question was considered by the Council on October 31st. Greece was represented by M. Politis and Turkey by Fethy Bey. In addition, the Turkish and the Greek Governments each sent their first delegate on the Mixed Commission of Exchange. General de Lara, Chairman of the Commission, was also present at this session.

M. Politis recalled the circumstances which had induced his Government to appeal to the Council. He also explained that, in consequence of a provisional agreement concluded on October 24th under the auspices of the Commission, the conflict was no longer acute, but that the disagreement as to the meaning of the word "established" remained.

He further observed that, in the opinion of his Government, the agreement of October 24th had not been very scrupulously carried out. He enumerated, with reference to the execution by Turkey of the Treaty of Lausanne, a certain number of facts which, in his opinion, revealed a very disturbing state of affairs, affecting the policy of his Government, and make it impossible for the latter to establish the relations of mutual understanding which it was desired to entertain with the Turkish Government. On behalf of his Government, he asked the Council to recommend whatever measures it considered suitable to prevent the renewal of such incidents and, generally speaking, to ensure the loyal application of the treaties. He expressed his full and entire confidence in the Mixed Commission of Exchange, and his conviction that, with the encouragement and support of the Council, the Commission would not again have to deal with such difficult and delicate questions.

Fethy Bey stated that the Turkish Government had not at any moment arrogated to itself the powers of the Mixed Commission, and that it had not expelled any persons on its own initiative. He added that the measures to which the Turkish Government had resorted had been taken with a view to executing the Commission's decisions. He further stated that the Turkish Government would accept the decision of the Commission as to the interpretation of the word "established".

The Turkish Government recognised the powers vested in the Commission by the Convention in respect of all questions to which the execution of the Convention might give rise.

General de Lara, in his capacity as representative of the Commission, gave information to the Council with regard to the discussions which had taken place in the Commission concerning the interpretation of the word "established". He also gave details with regard to the arrests of Constantinople Greeks.

He explained that, at Constantinople, a Sub-Commission acted as executive organ for the Mixed Commission. This Sub-Commission, after issuing passports to a certain number of Constantinople Greeks who were subject to exchange, had announced in the press that these persons must leave the town very shortly or they would be compelled to do so by the police. On this occasion certain mistakes had been made by the police, but as a result of the intervention of the Commission they had been put right.

The First Greek and the First Turkish delegates on the Commission gave the Council information with regard to the work of this Sub-Commission.

On Viscount Ishii's report the Council noted that the two Governments were at one in considering that the Commission—in which they expressed their confidence—ought to continue its task without being hampered in any way, and expressed

the hope that it would hold a meeting as soon as possible in order to solve the questions at issue, which had been sufficiently studied to allow of immediate decision.

The Council suggested that the Commission should submit to the Permanent Court of International Justice, through the intermediary of the signatories of the Exchange Convention, any legal points in connection with the Convention which it was unable to decide itself. The Council also asked the Commission to forward for its information periodical reports as to the progress made, with particular reference to the points raised in the Greek Government's request and to the general situation.

Finally the Council expressed the most earnest wish that both parties should make every effort to carry out both in the spirit and the letter, the Convention for the exchange of populations.

M. Politis, on behalf of the Greek Government, and Fethy Bey, on behalf of the Turkish Government, assured the Council that the resolution would be loyally and sincerely complied with by their Governments.

General de Lara, on his side, assured the Council that the Commission would pay strict regard to its recommendations.

In the course of his statement, M. Politis referred to the question of the Greeks who, he said, under the Convention of 1923, were entitled to return freely to Constantinople and dispose of their property, but were unable to do so in consequence of the ill-will of the Turkish authorities. He also referred to the situation of the Oecumenical Patriarchate and to the maintenance of the Greek banks at Constantinople, observing in this connection that the Greeks who had the right to reside in Constantinople constituted a national minority, and as such could claim the protection of the League of Nations.

Fethy Bey pointed out to the Council that there were more than 50,000 Turks in Western Thrace whose property had been confiscated by the Greek Government and who were entirely without means of subsistence. He declared that the Turkish Government was determined, on its part, to fulfil loyally the undertakings which it had entered into in the Lausanne Treaty, and would be very glad to conclude an agreement with regard to the situation of the Turks of Western Thrace and the Greeks of Constantinople.

In these circumstances, the Council took note of the declaration whereby the two parties agreed to an eventual enquiry of the Council with regard to the situation of the minority of Greek race at Constantinople and the minority of Turkish race in Western Thrace.

It invited the representatives of the two Governments to forward to the Secretary-General of the League of Nations a detailed statement which would enable it to consider the matter at its December session.

## VIII. — Political Questions.

### 1. — THE FRONTIER OF IRAQ

#### *Interpretation of the Councils' Resolution of September 30th, 1924.*

The Council, during its extraordinary session, dealt with the dispute which had arisen between the British and Turkish Governments with regard to the interpretation of the passage of the decision of September 30th relating to the maintenance of the *status quo* on the Iraqi-Turkish frontier. This passage is worded :

„The Council notes the declarations of the British and Turkish Governments to the effect that pending the decision to be reached on the subject of the frontier, no military or other movement shall take place which might modify in any way the present state of the territories of which the final fate will depend upon that decision.”

This question was brought before the Council by the British Government in a telegram dated October 14th. In agreement with the Turkish Government, the British Government requested the Council to hold an extraordinary session in order to examine the matter. The question was dealt with by the Council in public meetings on October 27th and 29th. At the first of these meetings the representatives of the parties to the dispute explained their respective points of view.

Lord Parmoor stated that the British Government regarded the undertaking given at Geneva on September 30th as a repetition of that given in the Treaty of Lausanne, and as involving on the part of Turkey an obligation to abstain from any movement which would modify the state of the territories in question as existing on July 24th, 1923, date of the signature of the Treaty. The British representative then explained how his Government understood the state of the territories at the date in question, and traced the line, to the south of which, in the opinion of his Government, any military or other movement by the Turkish Government constituted a violation of the Treaty of Lausanne. According to the British Government, various violations of this kind had been committed by the Turkish authorities, who, on September 14th, had despatched south of the line considerable parties of Turkish forces.

Lord Parmoor added that, since the decision of September 30th, the Turkish forces had not only not been withdrawn, but appeared to be advancing. Turkish forces had invaded a considerable area of the Vilayet of Hakkari, which in July, 1923, was not occupied or administered by either Turkish or Iraq authorities, and in which, consequently, the British Government maintained, that neither party was at liberty to proceed to any movement which might modify the *status quo*. Lord Parmoor concluded that for the proper accomplishment of the local enquiries to be undertaken by the Special Commission, it was essential that loyal compliance with the undertakings, given on either side in Article 3 of the Treaty of Lausanne, and repeated at Geneva on September 30th, should be secured.

Fethy Bey stated the case of the Turkish Government. He declared that the views of the British Government with regard to the boundary line had changed several times since the Mudros Armistice, which put an end to the hostilities. Recently, he said, in a note dated September 29th, the British Government had, on its own initiative, traced a new frontier line much farther north than that laid down in the Treaty of Sèvres or the real boundary of the Mosul Vilayet. The Turkish Government, said Fethy Bey, considered that the maintenance of the *status quo* of July 24th, 1923, was binding on both parties, and that, in his Government's opinion, the British authorities in Iraq had frequently violated the *status quo*. This had been the case, he said, for the military operations directed against Suleymanie, which was not occupied at the date of the signature of the Treaty of Lausanne. Fethy Bey further stated his opinion that the admission to the Assembly of Iraq of deputies from the vilayet of Mosul constituted a violation of the *status quo*.

With regard to that part of the Hakkari vilayet, which, according to the British Government was outside the Turkish sphere of influence at the date of the conclusion of peace and should therefore be included in the area referred to in the question of the *status quo*, Fethy Bey maintained that this vilayet had always formed part of the Turkish territory, and that it had not been the object of any discussion at the Lausanne Conference, and that therefore the stipulations of Article 3, relating to the maintenance of the *status quo* did not apply to this territory.

In conclusion, Fethy Bey stated that, in his Government's opinion, it was essential that the line which was to be scrupulously respected by both parties should be accurately defined in order to avoid any possible conflict until the Council was able to give a decision on the question of the frontier.

The representatives of both parties declared that their Governments would abide by the decision of the Council.

On October 29th, the Council, on the report of M. Branting, laid down a provisional boundary between the territories occupied or administered by the two parties in the district of Mosul. The establishment of this boundary was the result of negotiations, which lasted two days, between the rapporteur, M. Branting (Sweden), assisted by the Spanish and Uruguayan representatives, and the representatives of the interested parties.

M. Branting and his colleagues were able, in the course of the negotiations, to establish that the real difference between the points of view of the parties was not very great, and that it was therefore possible to propose a line which differed very slightly from the suggestions made by both parties and which might be instrumental in ending the uncertainty out of which the present difficulties had arisen. The Council's line marks the extreme limit which, until the final frontier between Turkey and Iraq has been fixed, must be respected by both parties, both from the military and the administrative point of view.

The two parties were requested to take all necessary measures to carry out the resolution before November 15th. Any area at present either occupied or administered in contravention of the terms of the resolution should be evacuated not later than this date, as from which the provisional limit should not under any circumstances be passed by civil or military authorities of either party.

The Council emphasised that the object of this decision was merely to regulate a provisional situation so that order and peace might be maintained in the interim. Neither the solution of the problem of the final frontier, nor the procedure by which the solution was to be reached, should be in any way affected thereby.

Sir Cecil Hurst, representing Great Britain, formally declared that his Government accepted, and would loyally comply with the Council's decision. He suggested that military officers of both sides should meet for the purpose of applying the decision and asked for the assurance that there would be no attempt to penalise in their absence Christian refugees from villages, which, in accordance with the provisional frontier would now pass under Turkish control.

On behalf of his Government, Fethy Bey declared that, as the limit fixed was a provisional one and the rights of the Turkish Government were reserved he would refrain from insisting on certain points raised in previous debates, and would accept the Council's decision which his Government would loyally execute. He added that he would forward to his Government the proposal of Sir Cecil Hurst with regard to the practical application of the decision. The Christian inhabitants of the villages mentioned by Sir Cecil Hurst would be treated, he said, like citizens of the Turkish Republic.

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The line traced by the Council is the following :

"From the junction of the River Tigris and the River Khabur, along the river Khabur in mid-stream, up to its junction with the river Hazil; in mid-stream along the river Hazil to a point three kilometres upstream of the junction of that river with the side-stream, which passes by Sirnez. From this point in a direct line eastwards to the northern crest of the valley of the side-stream which passes by Sirnez. The northern crest bordering this valley up to Mt. Bilakish, and in a straight line from this point to the source of the tributary of the Baijo at Robozak. Along this tributary to its junction south of Robozak with a river coming down from point 6384 east-south-east of Robozak then following a straight line to the hill north-north-east of point 6834. Along the small river in mid-stream which comes down in an easterly direction from this hill to its junction with the river Khabur. The river Khabur downstream for about a kilometre and a half to its junction with the river coming from the Arush and Geramus district. Along this river (leaving to the north the river coming from Qashura) to the junction of its two large branches, the first coming from Geramus and the second from Arush.

From this junction along the bottom of a valley eastwards to point 6571 on the watershed between the two tributaries mentioned above. Following this watershed to point 9063 east of point 6571, then along the crest bordering the valley of the tributary, which passes by Geramus up to its junction with the crest on the south side of the valley of the Lizan. From the latter crest along the crest on the North side of the valley of the tributary of the river Zab which comes down from Ora, then up to a point west-north-west of Duskia and about 2 1/2 kilometres from that place. A straight line from this point to the source of this tributary of the Zab, a little north-east of Duskia—the course of the tributary to the river Zab—down stream along the river Zab to a point 1 kilometre south of Baishuka—a straight line eastwards up to the southern crest of the river valley which runs south of Bayhi and north of Chal—along the southern crest of the valley of the tributary of the Zab which passes by Berijan, up to the point nearest to the source of the Ave Marek west-south-west of Shiluk—a straight line to this source—the western arm of the Ave Marek from this source—to the junction of the small river which comes down from the pass between Qasrik and Nervek—along this small river up to its source—following a straight line between this source and the tributary of the eastern arm of the Ave Marek which flows into the Ave Marek north of Nervek—along this tributary to its junction—following a straight line from this junction to the watershed between the Ave Marek and the Redbar i Shin—along this watershed to the nearest point to the source of the tributary of the Redbar i Shin which flows into that river just north of Shaikh Memar—in a straight line up to the source of that river—following this tributary and down the Rudbar i Shin to the mouth of the river which flows just south of Deh—along this river to its source—in a straight line from the source of that river to the watershed between the Rudbar i Shin and the tributary of the Shemsdihén Su which flows just east of Herki—in a straight line thence to the side stream nearest to this tributary—along this side stream and then along the tributary to the Shemsdihén Su—in a direct line from the junction of these two streams to the southern crest of the valley of the Shemsdihén Su—along this crest to the point where it meets the watershed between the rivers Haji Beg and its tributary which runs just east of Upah—along the line of this watershed direct to the river Haji Beg—up the river Haji Beg to the Persian frontier."

On October 31st M. Hymans announced that the Council had nominated as members of the Special Commission provided for by its resolution of September 30th M. Paul Teleki, former Prime Minister of Hungary; M. de Wirsén, Swedish Minister in Roumania; and Colonel Paulis of the Belgian army.

The Commission will proceed shortly to the contested district for the purpose of accomplishing its mission.

## 2. — FRONTIERS OF ALBANIA

On several occasions during its thirtieth session the Council considered the question of the frontier between Albania and the Kingdom of the Serbs, Croats and Slovenes, and between Albania and Greece.

1. *The Question of St. Naoum and the Frontier between Albania and the Kingdom of the Serbs, Croats and Slovenes.* — On the report of M. Quiñones de León, the Council decided at its meeting of October 3rd to communicate to the Conference of Ambassadors the opinion of the Permanent Court of International Justice concerning the problem of the delimitation of the frontier between Albania and the Kingdom of the Serbs, Croats and Slovenes at the Monastery of St. Naoum.

On this occasion M. Koumanoudi, the representative of the Kingdom of the Serbs, Croats and Slovenes, submitted to the Council a statement of the juridical

reasons for which his Government considered that the Monastery of St. Naoum should be attributed to the Kingdom of the Serbs, Croats and Slovenes.

At the same meeting, the Council considered the general question of the delimitation of the frontier between Albania and the Kingdom of the Serbs, Croats and Slovenes. A communication on the subject, dated September 26th, had been received from Mgr. Fan Noli, the Albanian representative.

Mgr. Fan Noli and M. Koumanoudi, in their statements to the Council, expressed the hope that the final delimitation of the frontiers between their countries would take place as soon as possible.

In these circumstances, the Council, on the proposal of M. Quiñones de León, decided to send a communication to the Conference of Ambassadors pointing out that since the spring of 1921 the Council had on several occasions been called upon, at the request of various members of the League of Nations, to consider questions affecting international relations and the good understanding between nations upon which peace depended, and that these circumstances arose from the fact that the delimitation of the frontiers of Albania had not been completed.

The Council also informed the Conference of Ambassadors that it considered that incidents endangering the good relations between neighbouring countries were to be expected so long as the frontiers between these countries were unsettled and that the only fundamental solution of these difficulties would be to lay down well-defined frontiers, accepted and respected by all.

The communication of the Council to the Conference of Ambassadors ended with the request that the latter should complete the delimitation of the Albanian frontiers as soon as possible and in any case before the beginning of the forthcoming winter.

The Council also recommended the Albanian and Serb-Croat-Slovene Governments, pending the final delimitation of the frontiers, to do all that lay in their power to maintain order and, if necessary, to examine together in a spirit of conciliation all questions which might give rise to local difficulties.

The Albanian and Serb-Croat-Slovene representatives stated that they fully concurred in the communication which the Council proposed to address to the Conference of Ambassadors.

2. *Frontiers between Albania and Greece.* — In a letter of September 27th M. Fan Noli, the Albanian representative, drew the attention of the Council to the question of the frontier between Albania and Greece in the district of Koritza. In this letter M. Fan Noli pointed out that the Conference of Ambassadors had decided to allocate fourteen villages to Albania and stated that Greece had not complied with the orders of the Delimitation Commission inviting her to evacuate these villages.

At its meeting of October 3rd the Council heard M. Politis, who explained that reasons of a purely constitutional nature had hitherto prevented the Greek Government from carrying out the decisions of the Conference of Ambassadors. M. Politis added that the Greek Government had, moreover, informed the Governments represented on the Conference of Ambassadors that as soon as the Greek Parliament met, the Government would submit a draft law authorising it to agree to this alienation of national territory. Finally, M. Politis declared that his Government would loyally execute the decision of the Conference of Ambassadors and that it was confident that the Council, when examining the complaints of the Greek minorities in Albania, would find such a solution as would ensure the maintenance of good relations between Greece and Albania.

On the proposal of M. Quiñones de León (Spain), the Council noted M. Politis' declarations and invited the Greek Government to carry out the decision of the Conference of Ambassadors with the least possible delay.



## IX. — Social and Humanitarian Questions.

### TRAFFIC IN WOMEN AND CHILDREN

The Special Committee appointed by the Council to arrange an enquiry into the conditions under which the traffic in women and children is carried on <sup>(1)</sup> held its second session in Geneva from October 3rd to 6th.

The following members were present at the discussions :

Dr. Snow, Chairman (United States),  
Princess Giustiniani Bandini (Italy),  
Mr. Harris (Great Britain),  
M. Hennequin (France),  
Dr. Paulina Luisi (Uruguay),  
M. Maus (Belgique),  
M. de Meuron (Switzerland),  
Mr. Sugimura (Japan).

## X. — Publications of the League of Nations.

### 1. — ARMAMENTS YEAR-BOOK

General and Statistical Information.

The Secretariat of the League of Nations has issued an Armaments Year-Book, containing information concerning thirty-seven countries, members and non-members of the League of Nations, as follows :

Albania, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Czechoslovakia, Denmark, Esthonia, Finland, France, Germany, Great Britain, Greece, Hungary, India, Italy, Japan, Latvia, Luxemburg, The Netherlands, Newfoundland, New Zealand, Norway, Poland, Roumania, Kingdom of the Serbs, Croats and Slovenes, Spain, Sweden, Switzerland, Union of South Africa, Union of Socialist Soviet Republics, United States of America.

The Year-Book consists of a series of monographs, each of which deals with one State, and is generally divided into three parts.

The first—and strictly military—part, which is the most important, gives detailed information concerning the organisation and composition of the armed forces (supreme military authority; large units; arms and services; recruiting system; budgetary effectives, etc.).

The second part deals with the question of budget expenditure on National Defence (analysis of expenditure; detailed notes on the various systems of accounting, etc.)

The third part is concerned with industries capable of being used for war purposes, in particular the production of the more important raw materials (coal, petroleum, mineral ores, chemical products, etc.), and the trade in these materials.

Numerous statistical tables are a feature of this work. The sources of the information, which has been drawn from official and public documents in the respective countries, are indicated at the end of each monograph.

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(1) *See Monthly Summary*, Vol. IV, No. 4, p. 81.

## 2. — STATISTICAL INFORMATION ON THE TRADE IN ARMS, MUNITION AND IMPLEMENTS OF WAR

The Secretariat of the League has just published a work containing statistical information on the trade of twenty-three countries in arms, munition and war material. The information bears in general on the exportation and importation of arms and munitions during the period from 1920 to 1922 or 1923, and is given in terms of quantity and value with precise statements as to the nature of the wares and their origin.

A summary giving the total value of the exports and imports during the years in question is annexed to each category. A general summary giving the total value of exports and imports for all countries under consideration is published at the end of the volume.

The information contained in this work is furnished by official and public documents of the countries concerned.

## 3. — MEMORANDUM OF THE BALANCE OF PAYMENTS AND FOREIGN TRADE BALANCES, VOL. II

The second volume of the Memorandum on the Balance of Payments and Foreign Trade Balances (1910-1923) <sup>(1)</sup> has now appeared. This volume contains trade returns for forty-five countries showing : the yearly imports and exports from 1910 to 1923, distinguishing merchandise from "bullion and specie", and further distinguishing between gold and silver in the latter category; trade by principal articles imported and exported (giving quantities and value); trade by countries.

In the case of thirty-three countries the tables are preceded by notes on the systems followed in the compilation of national trade statistics, showing changes which have been introduced since 1910 as regards : territory, the organ of collection and publication, the classes of trade included, the methods of valuation, the system of recording by country (country of production, of consignment, etc.), the methods of converting foreign currencies, etc.

An introductory note discusses some of the difficulties met with in interpreting trade statistics.

The national systems of statistics and valuation vary to such an extent that it is impossible correctly to interpret trade statistics without knowledge of the methods in use. The notes on the subjects, which are an outstanding feature of the present volume, furnish a detailed description of the various systems.

## 4. — BULLETIN OF THE INTERNATIONAL UNIVERSITY INFORMATION OFFICE (N° 4)

The fourth number of the Bulletin of the International University Information Office, which was published in October, contains, in addition to the minutes of the sixth session of the Sub-Committee on Inter-University Relations, the official text of the French decree regarding loan-scholarships for the assistance of students and a memorandum on the Universities Library for Central Europe. An important feature of this number is information from a considerable number of National Committees on Intellectual Co-operation, Universities, University Offices and Students' Associations of various European and Non-European countries. The results of an enquiry regarding intellectual life in the Free City of Danzig are published in the annex.

(1) For notice of Vol. I see page 160 of the August Number of the *Monthly Summary*.

## XI. — Forthcoming Events.

November 17th : Second Opium Conference, Geneva.

November 18th : Meeting of the Committee of Experts on Tonnage Measurement in Inland Navigation, Geneva.

November 24th : Joint meeting of the Legal Sub-Committee of the Transit Committee and the Sub-Committee on Inland Navigation, Geneva.

November 26th : Plenary Session of the Advisory and Technical Committee on Communications and Transit, Geneva.

December 1st : Meeting of the Committee of Experts on Buoys and the Lighting of Coasts, Paris.

December 8th : Thirty-second session of the Council, Rome.

December 15th : Meeting of the Preparatory Committee on Economic Statistics, The Hague.

# ECONOMIC AND FINANCIAL PUBLICATIONS issued by the LEAGUE OF NATIONS

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THE  
MONTHLY SUMMARY  
OF THE  
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October 1924.

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# MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

## SUPPLEMENT

October 1924.

### TABLE OF CONTENTS

I. <i>Protocol for the Pacific Settlement of International Disputes</i> . . . . .	I	Third Committees by M. Politis (Greece) and M. Bénès (Czechoslovakia), . . . . .	6
II. <i>Arbitration, Security and Reduction of Armaments</i> . . . . .	6	III. <i>Resolutions of the Fifth Assembly on the Reduction of Armaments</i> . . . . .	33
General Report submitted to the Fifth Assembly on behalf of the First and		IV. <i>Resolution of the Council</i> . . . . .	35

#### I — Protocol for the Pacific Settlement of International Disputes

Animated by the firm desire to ensure the maintenance of general peace and the security of nations whose existence, independence or territories may be threatened;  
 Recognising the solidarity of the members of the international community;  
 Asserting that a war of aggression constitutes a violation of this solidarity and an international crime;  
 Desirous of facilitating the complete application of the system provided in the Covenant of the League of Nations for the pacific settlement of disputes between States and of ensuring the repression of international crimes; and

For the purpose of realising, as contemplated by Article 8 of the Covenant, the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations;

The Undersigned, duly authorised to that effect, agree as follows .

##### *Article 1.*

The signatory States undertake to make every effort in their power to secure the introduction into the Covenant of amendments on the lines of the provisions contained in the following articles.

They agree that, as between themselves, these provisions shall be binding as from the coming into force of the present Protocol and that, so far as they are concerned, the Assembly and the Council of the League of Nations shall thenceforth have power to exercise all the rights and perform all the duties conferred upon them by the Protocol.

##### *Article 2.*

The signatory States agree in no case to resort to war either with one another or against a State which, if the occasion arises, accepts all the obligations hereinafter set out, except in case of resistance to acts of aggression or when acting in agreement with the Council or the Assembly of the League of Nations in accordance with the provisions of the Covenant and of the present Protocol

##### *Article 3.*

The signatory States undertake to recognise as compulsory, *ipso facto* and without special agreement the jurisdiction of the Permanent Court of International Justice in the cases covered by paragraph 2 of Article 36 of the Statute of the Court, but without prejudice to the right of any State, when acceding to the special protocol provided for in the said Article and opened for signature on December 16th, 1920, to make reservations compatible with the said clause.

Accession to this special protocol, opened for signature on December 16th, 1920, must be given within the month following the coming into force of the present Protocol.

States which accede to the present Protocol after its coming into force must carry out the above obligation within the month following their accession



*Article 4.*

With a view to render more complete the provisions of paragraphs 4, 5, 6 and 7 of Article 15 of the Covenant, the signatory States agree to comply with the following procedure :

1. If the dispute submitted to the Council is not settled by it as provided in paragraph 3 of the said Article 15, the Council shall endeavour to persuade the parties to submit the dispute to judicial settlement or arbitration
2. (a) If the parties cannot agree to do so, there shall, at the request of at least one of the parties, be constituted a Committee of Arbitrators. The Committee shall so far as possible be constituted by agreement between the parties.  
(b) If within the period fixed by the Council the parties have failed to agree, in whole or in part, upon the number, the names and the powers of the arbitrators and upon the procedure, the Council shall settle the points remaining in suspense. It shall with the utmost possible despatch select in consultation with the parties the arbitrators and their President from among persons who by their nationality, their personal character and their experience, appear to it to furnish the highest guarantees of competence and impartiality.  
(c) After the claims of the parties have been formulated, the Committee of Arbitrators, on the request of any party, shall through the medium of the Council request an advisory opinion upon any points of law in dispute from the Permanent Court of International Justice, which in such case shall meet with the utmost possible despatch
3. If none of the parties asks for arbitration, the Council shall again take the dispute under consideration. If the Council reaches a report which is unanimously agreed to by the members thereof other than the representatives of any of the parties to the dispute, the signatory States agree to comply with the recommendations therein.
4. If the Council fails to reach a report which is concurred in by all its members, other than the representatives of any of the parties to the dispute, it shall submit the dispute to arbitration. It shall itself determine the composition, the powers and the procedure of the Committee of Arbitrators and, in the choice of the arbitrators, shall bear in mind the guarantees of competence and impartiality referred to in paragraph 2 (b) above.
5. In no case may a solution, upon which there has already been a unanimous recommendation of the Council accepted by one of the parties concerned, be again called in question.
6. The signatory States undertake that they will carry out in full good faith any judicial sentence or arbitral award that may be rendered and that they will comply, as provided in paragraph 3 above, with the solutions recommended by the Council. In the event of a State failing to carry out the above undertakings, the Council shall exert all its influence to secure compliance therewith. If it fails therein, it shall propose what steps should be taken to give effect thereto, in accordance with the provision contained at the end of Article 13 of the Covenant. Should a State in disregard of the above undertakings resort to war, the sanctions provided for by Article 16 of the Covenant, interpreted in the manner indicated in the present Protocol, shall immediately become applicable to it.
7. The provisions of the present article do not apply to the settlement of disputes which arise as the result of measures of war taken by one or more signatory States in agreement with the Council or the Assembly.

*Article 5.*

The provisions of paragraph 8 of Article 15 of the Covenant shall continue to apply in proceedings before the Council.

If in the course of an arbitration, such as is contemplated by Article 4 above, one of the parties claims that the dispute, or part thereof, arises out of a matter which by international law is solely within the domestic jurisdiction of that party, the arbitrators shall on this point take the advice of the Permanent Court of International Justice through the medium of the Council. The opinion of the Court shall be binding upon the arbitrators, who, if the opinion is affirmative, shall confine themselves to so declaring in their award.

If the question is held by the Court or by the Council to be a matter solely within the domestic jurisdiction of the State, this decision shall not prevent consideration of the situation by the Council or by the Assembly under Article 11 of the Covenant.

Should the Assembly fail to achieve an amicable settlement :

If one of the parties asks for arbitration, the Council shall proceed to constitute the Committee of Arbitrators in the manner provided in sub-paragraphs (a), (b) and (c) of paragraph 2 of Article 4 above.

If no party asks for arbitration, the Assembly shall again take the dispute under consideration and shall have in this connection the same powers as the Council. Recommendations embodied in a report of the Assembly, provided that it secures the measure of support stipulated at the end of paragraph 10 of Article 15 of the Covenant, shall have the same value and effect, as regards all matters dealt with in the present Protocol, as recommendations embodied in a report of the Council adopted as provided in paragraph 3 of Article 4 above.

If the necessary majority cannot be obtained, the dispute shall be submitted to arbitration and the Council shall determine the composition, the powers and the procedure of the Committee of Arbitrators as laid down in paragraph 4 of Article 4.

#### *Article 7.*

In the event of a dispute arising between two or more signatory States, these States agree that they will not, either before the dispute is submitted to proceedings for pacific settlement or during such proceedings, make any increase of their armaments or effectives which might modify the position established by the Conference for the Reduction of Armaments provided for by Article 17 of the present Protocol, nor will they take any measure of military, naval, air, industrial or economic mobilisation, nor, in general, any action of a nature likely to extend the dispute or render it more acute.

It shall be the duty of the Council, in accordance with the provisions of Article 11 of the Covenant, to take under consideration any complaint as to infraction of the above undertakings which is made to it by one or more of the States parties to the dispute. Should the Council be of opinion that the complaint requires investigation, it shall, if it deems it expedient, arrange for enquiries and investigations in one or more of the countries concerned. Such enquiries and investigations shall be carried out with the utmost possible despatch and the signatory States undertake to afford every facility for carrying them out.

The sole object of measures taken by the Council as above provided is to facilitate the pacific settlement of disputes and they shall in no way prejudice the actual settlement.

If the result of such enquiries and investigations is to establish an infraction of the provisions of the first paragraph of the present Article, it shall be the duty of the Council to summon the State or States guilty of the infraction to put an end thereto. Should the State or States in question fail to comply with such summons, the Council shall declare them to be guilty of a violation of the Covenant or of the present Protocol, and shall decide upon the measures to be taken with a view to end as soon as possible a situation of a nature to threaten the peace of the world.

For the purposes of the present Article decisions of the Council may be taken by a two-thirds majority

#### *Article 8.*

The signatory States undertake to abstain from any act which might constitute a threat of aggression against another State.

If one of the signatory States is of opinion that another State is making preparations for war, it shall have the right to bring the matter to the notice of the Council.

The Council, if it ascertains that the facts are as alleged, shall proceed as provided in paragraphs 2, 4 and 5 of Article 7.

#### *Article 9.*

The existence of demilitarised zones being calculated to prevent aggression and to facilitate a definite finding of the nature provided for in Article 10 below, the establishment of such zones between States mutually consenting thereto is recommended as a means of avoiding violations of the present Protocol.

The demilitarised zones already existing under the terms of certain treaties or conventions, or which may be established in future between States mutually consenting thereto, may at the request and at the expense of one or more of the contiguous States, be placed under a temporary or permanent system of supervision to be organised by the Council.

#### *Article 10.*

Every State which resorts to war in violation of the undertakings contained in the Covenant or in the present Protocol is an aggressor. Violation of the rules laid down for a demilitarised zone shall be held equivalent to resort to war.

In the event of hostilities having broken out, any State shall be presumed to be an aggressor, unless a decision of the Council, which must be taken unanimously, shall otherwise declare :

1. If it has refused to submit the dispute to the procedure of pacific settlement provided by Articles 13 and 15 of the Covenant as amplified by the present Protocol, or to comply with a judicial sentence or arbitral award or with a unanimous recommendation of the Council, or has disregarded a unanimous report of the Council, a judicial sentence or an arbitral award recognising that the dispute between it and the other belligerent State arises out of a matter which by international law is

- solely within the domestic jurisdiction of the latter State; nevertheless, in the last case the State shall only be presumed to be an aggressor if it has not previously submitted the question to the Council or the Assembly, in accordance with Article 11 of the Covenant.
2. If it has violated provisional measures enjoined by the Council for the period while the proceedings are in progress as contemplated by Article 7 of the present Protocol.

Apart from the cases dealt with in paragraphs 1 and 2 of the present Article, if the Council does not at once succeed in determining the aggressor, it shall be bound to enjoin upon the belligerents an armistice, and shall fix the terms, acting, if need be, by a two-thirds majority and shall supervise its execution.

Any belligerent which has refused to accept the armistice or has violated its terms shall be deemed an aggressor.

The Council shall call upon the signatory States to apply forthwith against the aggressor the sanctions provided by Article 11 of the present Protocol, and any signatory State thus called upon shall thereupon be entitled to exercise the rights of a belligerent.

#### *Article 11.*

As soon as the Council has called upon the signatory States to apply sanctions, as provided in the last paragraph of Article 10 of the present Protocol, the obligations of the said States, in regard to the sanctions of all kinds mentioned in paragraphs 1 and 2 of Article 16 of the Covenant, will immediately become operative in order that such sanctions may forthwith be employed against the aggressor.

Those obligations shall be interpreted as obliging each of the signatory States to co-operate loyally and effectively in support of the Covenant of the League of Nations, and in resistance to any act of aggression, in the degree which its geographical position and its particular situation as regards armaments allow.

In accordance with paragraph 3 of Article 16 of the Covenant the signatory States give a joint and several undertaking to come to the assistance of the State attacked or threatened, and to give each other mutual support by means of facilities and reciprocal exchanges as regards the provision of raw materials and supplies of every kind, openings of credits, transport and transit, and for this purpose to take all measures in their power to preserve the safety of communications by land and by sea of the attacked or threatened State.

If both parties to the dispute are aggressors within the meaning of Article 10, the economic and financial sanctions shall be applied to both of them.

#### *Article 12.*

In view of the complexity of the conditions in which the Council may be called upon to exercise the functions mentioned in Article 11 of the present Protocol concerning economic and financial sanctions, and in order to determine more exactly the guarantees afforded by the present Protocol to the signatory States, the Council shall forthwith invite the economic and financial organisations of the League of Nations to consider and report as to the nature of the steps to be taken to give effect to the financial and economic sanctions and measures of co-operation contemplated in Article 16 of the Covenant and in Article 11 of this Protocol.

When in possession of this information, the Council shall draw up through its competent organs :

1. Plans of action for the application of the economic and financial sanctions against an aggressor State;
2. Plans of economic and financial co-operation between a State attacked and the different States assisting it;

and shall communicate these plans to the Members of the League and to the other signatory States.

#### *Article 13*

In view of the contingent military, naval and air sanctions provided for by Article 16 of the Covenant and by Article 11 of the present Protocol, the Council shall be entitled to receive undertakings from States determining in advance the military, naval and air forces which they would be able to bring into action immediately to ensure the fulfilment of the obligations in regard to sanctions which result from the Covenant and the present Protocol.

Furthermore, as soon as the Council has called upon the signatory States to apply sanctions, as provided in the last paragraph of Article 10 above, the said States may, in accordance with any agreements which they may previously have concluded, bring to the assistance of a particular State, which is the victim of aggression, their military, naval and air forces.

The agreements mentioned in the preceding paragraph shall be registered and published by the Secretariat of the League of Nations. They shall remain open to all States Members of the League which may desire to accede thereto.

#### *Article 14.*

The Council shall alone be competent to declare that the application of sanctions shall cease and normal conditions be re-established.

*Article 15.*

In conformity with the spirit of the present Protocol, the signatory States agree that the whole cost of any military, naval or air operations undertaken for the repression of an aggression under the terms of the Protocol, and reparation for all losses suffered by individuals, whether civilians or combatants, and for all material damage caused by the operations of both sides, shall be borne by the aggressor State up to the extreme limit of its capacity.

Nevertheless, in view of Article 10 of the Covenant, neither the territorial integrity nor the political independence of the aggressor State shall in any case be affected as the result of the application of the sanctions mentioned in the present Protocol.

*Article 16.*

The signatory States agree that in the event of a dispute between one or more of them and one or more States which have not signed the present Protocol and are not Members of the League of Nations, such non-Member States shall be invited, on the conditions contemplated in Article 17 of the Covenant, to submit, for the purpose of a pacific settlement, to the obligations accepted by the States signatories of the present Protocol.

If the State so invited, having refused to accept the said conditions and obligations, resorts to war against a signatory State, the provisions of Article 16 of the Covenant, as defined by the present Protocol, shall be applicable against it.

*Article 17.*

The signatory States undertake to participate in an International Conference for the Reduction of Armaments which shall be convened by the Council and shall meet at Geneva on Monday, June 15th, 1925. All other States, whether Members of the League or not, shall be invited to this Conference.

In preparation for the convening of the Conference, the Council shall draw up with due regard to the undertakings contained in Articles 11 and 13 of the present Protocol a general programme for the reduction and limitation of armaments, which shall be laid before the Conference and which shall be communicated to the Governments at the earliest possible date, and at the latest three months before the Conference meets.

If by May 1st, 1925, ratifications have not been deposited by at least a majority of the permanent Members of the Council and ten other Members of the League, the Secretary-General of the League shall immediately consult the Council as to whether he shall cancel the invitations or merely adjourn the Conference to a subsequent date to be fixed by the Council so as to permit the necessary number of ratifications to be obtained.

*Article 18.*

Wherever mention is made in Article 10, or in any other provision of the present Protocol, of a decision of the Council, this shall be understood in the sense of Article 15 of the Covenant, namely that the votes of the representatives of the parties to the dispute shall not be counted when reckoning unanimity or the necessary majority.

*Article 19.*

Except as expressly provided by its terms, the present Protocol shall not affect in any way the right and obligations of Members of the League as determined by the Covenant.

*Article 20.*

Any dispute as to the interpretation of the present Protocol shall be submitted to the Permanent Court of International Justice.

*Article 21.*

The present Protocol, of which the French and English texts are both authentic, shall be ratified.

The deposit of ratifications shall be made at the Secretariat of the League of Nations as soon as possible.

States of which the seat of government is outside Europe will be entitled merely to inform the Secretariat of the League of Nations that their ratification has been given; in that case, they must transmit the instrument of ratification as soon as possible.

So soon as the majority of the permanent Members of the Council and ten other Members of the League have deposited or have effected their ratifications, a *procès-verbal* to that effect shall be drawn up by the Secretariat.

After the said *procès-verbal* has been drawn up, the Protocol shall come into force as soon as the plan for the reduction of armaments has been adopted by the Conference provided for in Article 17.

If within such period after the adoption of the plan for the reduction of armaments as shall be fixed by the said Conference, the plan has not been carried out, the Council shall make a declaration to that effect; this declaration shall render the present Protocol null and void.

The grounds on which the Council may declare that the plan drawn up by the International

Conference for the Reduction of Armaments has not been carried out, and that in consequence the present Protocol has been rendered null and void, shall be laid down by the Conference itself.

A signatory State which, after the expiration of the period fixed by the Conference, fails to comply with the plan adopted by the Conference, shall not be admitted to benefit by the provisions of the present Protocol.

In faith whereof the Undersigned, duly authorised for this purpose, have signed the present Protocol

DONE at Geneva, on the second day of October, nineteen hundred and twenty-four, in a single copy, which will be kept in the archives of the Secretariat of the League and registered by it on the date of its coming into force.

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## II — Arbitration, Security and Reduction of Armaments

### GENERAL REPORT SUBMITTED TO THE FIFTH ASSEMBLY ON BEHALF OF THE FIRST AND THIRD COMMITTEES

by M. POLITIS (*Greece*) and M. BÉNÈS (*Czechoslovakia*).

#### I

##### INTRODUCTION

After being examined for several years by the Third Committee, the problem of the reduction of armaments has this year suddenly assumed a different, a wider and even an unexpected form.

Last year a draft Treaty of Mutual Assistance was prepared, which the Assembly sent to the Members of the League for their consideration. The replies from the Governments were to be examined by the Fifth Assembly.

At the very beginning of its work, however, after a memorable debate, the Assembly indicated to the Third Committee a new path. On September 6th, 1924, on the proposal of the Prime Ministers of France and Great Britain, M. Édouard Herriot and Mr. Ramsay MacDonald, the Assembly adopted the following resolution :

“The Assembly,

“Noting the declarations of the Governments represented, observes with satisfaction that they contain the basis of an understanding tending to establish a secure peace,

“Decides as follows :

“With a view to reconciling in the new proposals the divergences between certain points of view which have been expressed and, when agreement has been reached, to enable an international conference upon armaments to be summoned by the League of Nations at the earliest possible moment :

“(1) The Third Committee is requested to consider the material dealing with security and the reduction of armaments, particularly the observations of the Governments on the draft Treaty of Mutual Assistance, prepared in pursuance of Resolution XIV of the Third Assembly and other plans prepared and presented to the Secretary-General since the publication of the draft Treaty, and to examine the obligations contained in the Covenant of the League in relation to the guarantees of security which a resort to arbitration and a reduction of armaments may require :

“(2) The First Committee is requested :

“(a) To consider, in view of possible amendments, the articles in the Covenant relating to the settlement of disputes;

“(b) To examine within what limits the terms of Article 36, paragraph 2, of the Statute establishing the Permanent Court of International Justice might be rendered more precise and thereby facilitate the more general acceptance of the clause;

and thus strengthen the solidarity and the security of the nations of the world by settling by pacific means all disputes which may arise between States.”

This resolution had two merits, first, that of briefly summarising all the investigations made in the last four years by the different organisations of the League in their efforts to establish peace and bring about the reduction of armaments, and, secondly, that of indicating the programme of work of the Committees in the hope that, with the aid of past experience, they would at last attain the end in view.

The Assembly had assigned to each Committee a distinct and separate task; to the First Committee, the examination of the pacific settlement of disputes by methods capable of being applied in every case; to the Third Committee, the question of the security of nations considered as a necessary preliminary condition for the reduction of their armaments.

Each Committee, after a general discussion which served to detach the essential elements from the rest of the problem, referred the examination of its programme to a Sub-Committee, which devoted a large number of meetings to this purpose.

The proposals of the Sub-Committees then led to very full debates by the Committees, which terminated in the texts analysed below.

As, however, the questions submitted respectively to the two Committees form part of an indivisible whole, contact and collaboration had to be established between the Committees by means of a Mixed Committee of nine members and finally by a joint Drafting Committee of four members.

For the same reason, the work of the Committees has resulted in a single draft protocol accompanied by two draft resolutions for which the Committees are jointly responsible.

Upon these various texts, separate reports were submitted, which, being approved by the Committees respectively responsible for them, may be considered as an official commentary by the Committees.

These separate reports have here been combined in order to present as a whole the work accomplished by the two Committees and to facilitate explanation.

Before entering upon an analysis of the proposed texts, it is expedient to recall, in a brief historical summary, the efforts of the last four years, of which the texts are the logical conclusion.

#### HISTORICAL STATEMENT

The problem of the reduction of armaments is presented in Article 8 of the Covenant in terms which reveal at the outset the complexity of the question and which explain the tentative manner in which the subject has been treated by the League of Nations in the last few years.

“The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.”

Here we see clearly expressed the need of reducing the burden which armaments imposed upon the nations immediately after the war and of putting a stop to the competition in armaments, which was, in itself, a threat to the peace of the world. But, at the same time, there is recognised the duty of safeguarding the national security of the Members of the League and of safeguarding it, not only by the main-

tenance of a necessary minimum of troops, but also by the co-operation of all the nations, by a vast organisation for peace.

Such is the meaning of the Covenant, which, while providing for reduction of armaments properly so called, recognises at the same time the need of *common action*, by all the Members of the League, with a view to compelling a possible disturber of the peace to respect his *international obligations*.

Thus, in this first paragraph of Article 8, which is so short but so pregnant, mention is made of all the problems which have engaged the attention of our predecessors and ourselves and which the present Assembly has specially instructed us to solve, the problems of *collective security* and the *reduction of armaments*.

Taking up Article 8 of the Covenant, the First Assembly had already outlined a programme. At its head it placed a pronouncement of the Supreme Council :

"In order to diminish the economic difficulties of Europe, armies should everywhere be reduced to a peace footing. Armaments should be limited to the lowest possible figure compatible with national security."

The Assembly also called attention to a resolution of the International Financial Conference of Brussels held a short time before :

"Recommending to the Council of the League of Nations the desirability of conferring at once with the several Governments concerned with a view to securing a general reduction of the crushing burdens which, on their existing scale, armaments still impose on the impoverished peoples of the world, sapping their resources and imperilling their recovery from the ravages of war."

It also requested its two Advisory Commissions to set to work at once to collect the necessary information regarding the problem referred to in Article 8 of the Covenant.

From the beginning the work of the Temporary Mixed Commission and of the Permanent Advisory Commission revealed the infinite complexity of the question. The Second Assembly limited its resolutions to the important, but none the less (if one may say so) secondary, questions of traffic in arms and their manufacture by private enterprise. It only touched upon the questions of military expenditure and budgets in the form of recommendations and, as regards the main question of reduction of armaments, it confined itself to asking the Temporary Mixed Commission to formulate a definite scheme.

It was between the Second and Third Assemblies that the latter Commission, which was beginning to get to grips with the various problems, revealed their constituent elements. In its report it placed on record that :

"The memory of the world war was still maintaining in many countries a feeling of insecurity, which was represented in the candid statements in which, at the request of the Assembly, several of them had put forward the requirements of their national security, and the geographical and political considerations which contributed to shape their policy in the matter of armaments."

At the same time, however, the Commission stated :

"Consideration of these statements as a whole has clearly revealed not only the sincere desire of the Governments to reduce national armaments and the corresponding expenditure to a minimum, but also the importance of the results achieved. These facts"—according to the Commission—"are indisputable, and are confirmed, moreover, by the replies received from Governments to the Recommendation of the Assembly regarding the limitation of military expenditure."

That is the point we had reached *two years ago*; there was a *unanimous desire to reduce armaments*. Reductions, though as yet inadequate, had been begun, and there was a *still stronger desire to ensure the security of the world* by a stable and permanent organisation for peace.

That was the position which, after long discussions, gave rise *at the Third Assembly to the famous Resolution XIV* and at the Fourth Assembly *to the draft Treaty of Mutual Assistance*, for which we are now substituting the Protocol submitted to the Fifth Assembly.

What progress has been made during these four years?

Although the Treaty of Mutual Assistance was approved in principle by eighteen Governments, it gave rise to certain misgivings. We need only recall the most important of these, hoping that a comparison between them and an analysis of the new scheme will demonstrate that the First and Third Committees have endeavoured, with a large measure of success, to dispose of the objections raised and that the present scheme consequently represents an immense advance on anything that has hitherto been done.

In the first place, a number of Governments or delegates to the Assembly argued that the guarantees provided by the draft Treaty of Mutual Assistance did not imply with sufficient definiteness the reduction of armaments which is the ultimate object of our work.

The idea of the Treaty was to give effect to Article 8 of the Covenant, but many persons considered that it did not, in fact, secure the automatic execution of that article. Even if a reduction of armaments was achieved by its means, the amount of the reduction was left, so the opponents of the Treaty urged, to the estimation of each Government, and there was nothing to show that it would be considerable.

With equal force many States complained that no provision had been made for the development of the *juridical and moral elements of the Covenant* by the side of material guarantees. The novel character of the charter given to the nations in 1919 lay essentially in the advent of a moral solidarity which foreshadowed the coming of a new era. That principle ought to have, as its natural consequence, *the extension of arbitration and international jurisdiction*, without which no human society can be solidly grounded. A considerable portion of the Assembly asked that efforts should also be made in this direction. The draft Treaty seemed from this point of view to be insufficient and ill-balanced.

Finally, the articles relating to partial treaties gave rise, as you are aware, to certain objections. Several Governments considered that they would lead to the establishment of groups of Powers animated by hostility towards other Powers or groups of Powers and that they would cause political tension. The absence of the barriers of compulsory arbitration and judicial intervention was evident here as everywhere else.

Thus, by a logical and gradual process, there was elaborated the system at which we have now arrived.

The reduction of armaments required by the Covenant and demanded by the general situation of the world to-day led us to consider the question of security as a necessary complement to disarmament.

The support demanded from different States by other States less favourably situated had placed the former under the obligation of asking for a sort of moral and legal guarantee that the States which have to be supported would act in perfect good faith and would always endeavour to settle their disputes by pacific means.

It became evident, however, with greater clearness and force than ever before, that if the security and effective assistance demanded in the event of aggression was the condition *sine qua non* of the reduction of armaments, it was at the same time the necessary complement of the pacific settlement of international disputes, since the non-execution of a sentence obtained by pacific methods of settlement would necessarily drive the world back to the system of armed force. Sentences imperatively required sanctions or the whole system would fall to the ground.



*Arbitration was therefore considered by the Fifth Assembly to be the necessary third factor, the complement of the two others with which it must be combined in order to build up the new system set forth in the Protocol.*

Thus, after five years' hard work, we have decided to propose to the Members of the League the *present system of arbitration, security and reduction of armaments*—a system which we regard as being complete and sound.

That is the position with which the Fifth Assembly has to deal to-day. The desire to arrive at a successful issue is unanimous. A great number of the decisions adopted in the past years have met with general approval. There has arisen a thoroughly clear appreciation of the undoubted gaps which have to be filled and of the reasonable apprehensions which have to be dissipated. Conditions have therefore become favourable for arriving at an agreement.

An agreement has been arrived at on the basis of the draft Protocol which is now submitted to you for consideration.

## II

### ANALYSIS OF THE SCHEME

#### 1. — WORK OF THE FIRST COMMITTEE

*(Rapporteur : M. POLITIS)*

Draft Protocol for the Pacific Settlement of International Disputes.

#### *Preamble.*

The object of the Protocol, which is based upon the resolution of September 6th, 1924, is to facilitate the reduction and limitation of armaments provided for in Article 8 of the Covenant of the League of Nations by guaranteeing the security of States through the development of methods for the pacific settlement of all international disputes and the effective condemnation of aggressive war.

These general ideas are summarised in the preamble of the Protocol.

### COMPULSORY ARBITRATION

*(Articles 1 to 6, 10, 16, 18 and 19 of the Protocol)*

#### 1. — INTRODUCTION

Compulsory arbitration is the fundamental basis of the proposed system. It has seemed to be the only means of attaining the ultimate aim pursued by the League of Nations, viz. the establishment of a pacific and legal order in the relations between peoples.

The realisation of this great ideal, to which humanity aspires with a will which has never been more strongly affirmed, pre-supposes, as an indispensable condition, the elimination of war, the extension of the rule of law and the strengthening of the sentiment of justice.

The Covenant of the League of Nations erected a wall of protection around the peace of the world, but it was a first attempt at international organisation and it did not succeed in closing the circle sufficiently thoroughly to leave no opening for war. It reduced the number of possible wars. It did not condemn them all. There were some which it was forced to tolerate. Consequently, there remained, in the system which it established, numerous fissures, which constituted a grave danger to peace.

The new system of the Protocol goes further. It closes the circle drawn by the Covenant; it prohibits all wars of aggression. Henceforth no purely private war between nations will be tolerated.

This result is obtained by strengthening the pacific methods of procedure laid down in the Covenant. The Protocol completes them and extends them to all international disputes without exception, by making arbitration compulsory.

In reality, the word "arbitration" is used here in a somewhat different sense from that which it has generally had up to now. It does not exactly correspond with the definition given by the Hague Conferences which, codifying a century-old custom, saw in it "the settlement of disputes between States by judges of their own choice and on the basis of respect for law" (Article 37 of the Convention of October 18th, 1907, for the Pacific Settlement of International Disputes).

The arbitration which is now contemplated differs from this classic arbitration in various respects :

(a) It is only part of a great machinery of pacific settlement. It is set up under the auspices and direction of the Council of the League of Nations.

(b) It is not only an instrument for the administration of justice. It is, in addition and above all, an instrument of peace. The arbitrators must no doubt seek in the first place to apply the rules and principles of international law. This is the reason why, as will be seen below, they are bound to consult the Permanent Court of International Justice if one of the parties so requests. But if international law furnishes no rule or principle applicable to the particular case, they cannot, like ordinary arbitrators, refuse to give a decision. They are bound to proceed on grounds of equity, for in our system arbitration is always of necessity to lead to a definitive solution of the dispute. This is not to be regretted, for to ensure the respect of law by nations it is necessary first that they should be assured of peace.

(c) It does not rest solely upon the loyalty and good faith of the parties. To the moral and legal force of an ordinary arbitration is added the actual force derived from the international organisation of which the kind of arbitration in question forms one of the principal elements; the absence of a sanction which has impeded the development of compulsory arbitration is done away with under our system.

In the system of the Protocol, the obligation to submit disputes to arbitration is sound and practical because it has always a sanction. Its application is automatically ensured, by means of the intervention of the Council; in no case can it be thrown on one side through the ill-will of one of the disputant States. The awards to which it leads are always accompanied by a sanction, adapted to the circumstances of the case and more or less severe according to the degree of resistance offered to the execution of the sentence.

## 2. — NATURE OF THE RULES OF THE PROTOCOL

### *Article I.*

The rules laid down in the Protocol do not all have the same scope or value for the future.

As soon as the Protocol comes into force, its provisions will become compulsory as between the signatory States, and in its dealings with them the Council of the League of Nations will at once be able to exercise all the rights and fulfil all the duties conferred upon it.

As between the States Members of the League of Nations, the Protocol may in the first instance create a dual regime, for, if it is not immediately accepted by them all, the relations between signatories and non-signatories will still be governed by the Covenant alone while the relations between signatories will be governed by the Protocol as well.

But this situation cannot last. Apart from the fact that it may be hoped that all Members of the League will adhere to it, the Protocol is in no sense designed to create among the States which accept it a restricted League capable of competing with or opposing in any way the existing League. On the contrary, such of its provisions as relate to articles of the Covenant will, as soon as possible, be made part of the general law by amendment of the Covenant effected in accordance with the procedure for revision laid down in Article 26 thereof. The signatory States which are Members of the League of Nations undertake to make every efforts to this end.

When the Covenant has been amended in this way, some parts of the Protocol will lose their value as between the said States : some of them will have enriched the Covenant, while others, being temporary in character, will have lost their object.

The whole Protocol will remain applicable to relations between signatory States which are Members of the League of Nations and signatory States outside the League, or between States coming within the latter category.

It should be added that, as the League realises its aim of universality, the amended Covenant will take the place, as regards all States, of the separate regime of the Protocol.

### 3. — CONDEMNATION OF AGGRESSIVE WAR

#### *Article 2.*

The general principle of the Protocol is the prohibition of aggressive war.

Under the Covenant, while the old unlimited right of States to make war is restricted, it is not abolished. There are cases in which the exercise of this right is tolerated; some wars are prohibited and others are legitimate.

In future the position will be different. In no case is any State signatory of the Protocol entitled to undertake on its own sole initiative an offensive war against another signatory State or against any non-signatory State which accepts all the obligations assumed by the signatories under the Protocol.

The prohibition affects only aggressive war. It does not, of course, extend to defensive war. The right of legitimate self-defence continues, as it must, to be respected. The State attacked retains complete liberty to resist by all means in its power any acts of aggression of which it may be the victim. Without waiting for the assistance which it is entitled to receive from the international community, it may and should at once defend itself with its own force. Its interests are identified with the general interest. This is a point on which there can be no doubt.

The same applies when a country employs force with the consent of the Council or the Assembly of the League of Nations under the provisions of the Covenant and the Protocol. This eventuality may arise in two classes of cases : either a State may take part in the collective measures of force decided upon by the League of Nations in aid of one of its Members which is the victim of aggression; or a State may employ force with the authorisation of the Council or the Assembly in order to enforce a decision given in its favour. In the former case, the assistance given to the victim of aggression is indirectly an act of legitimate self-defence. In the latter, force is used in the service of the general interest, which would be threatened if decisions reached by a pacific procedure could be violated with impunity. In all these cases the country resorting to war is not acting on its private initiative but is in a sense the agent and the organ of the community.

It is for this reason that we have not hesitated to speak of the exceptional authorisation of war. It has been proposed that the word "force" should be used in order to avoid any mention of "war"—in order to spare the public that disappointment which it might feel when it found that, notwithstanding the solemn condemnation of war, war was still authorized in exceptional cases. We preferred,

however, to recognise the position frankly by retaining the expression "resort to war" which is used in the Covenant. If we said "force" instead of "war", we should not be altering the facts in any way. Moreover, the confession that war is still possible in specific cases has a certain value, because the term describes a definite and well-understood situation, whereas the expression "resort to force" would be liable to be misunderstood, and also because it emphasises the value of the sanctions at the disposal of the community of States bound by the Protocol.

#### 4. — COMPULSORY JURISDICTION OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE

##### *Article 3.*

The general principle of the Protocol could not be accepted unless the pacific settlement of all international disputes without distinction were made possible.

This solution has been found, in the first place, in the extension of the compulsory jurisdiction of the Permanent Court of International Justice.

According to its Statute, the jurisdiction of the Court is, in principle, optional. On the other hand, Article 36, paragraph 2, of the Statute, offers States the opportunity of making the jurisdiction compulsory in respect of all or any of the classes of legal disputes affecting : (a) the interpretation of a Treaty; (b) any question of international law; (c) the existence of any fact which, if established, would constitute a breach of an international obligation; (d) the nature or extent of the reparation to be made for the breach of an international obligation. States have only to declare their intention through the special Protocol annexed to the Statute. The undertaking then holds good in respect of any other State which assumes the same obligation. It may be given either unconditionally or on condition of reciprocity on the part of several or certain other States; either permanently or for a fixed period.

So far such compulsory jurisdiction has only been accepted by a small number of countries. The majority of States have abstained because they did not see their way to accept compulsory jurisdiction by the Court in certain cases falling within one or another of the classes of dispute enumerated above, and because they were not sure whether, in accepting, they could make reservations to that effect.

It was for this reason that the Assembly in its resolution of September 6th, requested the First Committee to render more precise the terms of Article 36, paragraph 2, in order to facilitate its acceptance.

Careful consideration of the article has shown that it is sufficiently elastic to allow of all kinds of reservations. Since it is open to the States to accept compulsory jurisdiction by the Court in respect of certain of the classes of dispute mentioned and not to accept it in respect of the rest, it is also open to them only to accept it in respect of a portion of one of those classes; rights need not be exercised in their full extent. In giving the undertaking in question, therefore, States are free to declare that it will not be regarded as operative in those cases in which they consider it to be inadmissible.

We can imagine possible and therefore legitimate, reservations either in connection with a certain class of dispute or, generally speaking, in regard to the precise stage at which the dispute may be laid before the Court. While we cannot here enumerate all the conceivable reservations, it may be worth while to mention merely as examples those to which we referred in the course of our discussions.

From the class of disputes relating to "the interpretation of a treaty" there may be excluded, for example, disputes as to the interpretation of certain specified classes of treaty such as political treaties, peace treaties, etc.

From the class of disputes relating to "any point of international law" there may be excluded, for example, disputes as to the application of a political treaty, a peace treaty, etc., or as to any specified question or disputes which might arise

as the outcome of hostilities initiated by one of the signatory States in agreement with the Council or the Assembly of the League of Nations.

Again, there are many possible reservations as to the precise stage at which a dispute may be laid before the Court. The most far-reaching of these would be to make the resort to the Court in connection with every dispute in respect of which its compulsory jurisdiction is recognised contingent upon the establishment of an agreement for submission of the case which, failing agreement between the parties, would be drawn up by the Court itself, the analogy of the provisions of the Hague Convention of 1907 dealing with the Permanent Court of Arbitration being thus followed.

It might also be stated that the recognition of the compulsory jurisdiction of the Court does not prevent the parties to the dispute from agreeing to resort to a preliminary conciliation procedure before the Council of the League of Nations or any other body selected by them, or to submit their disputes to arbitration in preference to going before the Court.

A State might also, while accepting compulsory jurisdiction by the Court, reserve the right of laying disputes before the Council of the League with a view to conciliation in accordance with paragraphs 1-3 of Article 15 of the Covenant, with the proviso that neither party might, during the proceedings before the Council, take proceedings against the other in the Court.

It will be seen, therefore, that there is a very wide range of reservations which may be made in connection with the undertaking referred to in Article 36, paragraph 2. It is possible that apprehensions may arise lest the right to make reservations should destroy the practical value of the undertaking. There seems, however, to be no justification for such misgivings. In the first place, it is to be hoped that every Government will confine its reservations to what is absolutely essential. Secondly, it must be recognised that, however restrictive the scope of the undertaking may be, it will always be better than no undertaking at all.

The fact that the signatory States undertake to accede, even though it be with reservations, to paragraph 2 of Article 36 may therefore be held to constitute a great advance.

Such accession must take place at latest within the month following upon the coming into force or subsequent acceptance of the Protocol.

It goes without saying that such accession in no way restricts the liberty which States possess, under the ordinary law, of concluding special agreements for arbitration. It is entirely open to any two countries signatory of the Protocol which have acceded to paragraph 2 of Article 36 to extend still further, as between themselves, the compulsory jurisdiction of the Court, or to stipulate that before having recourse to its jurisdiction they will submit their disputes to a special procedure of conciliation or even to stipulate, either before or after a dispute has arisen, that it shall be brought before a special tribunal of arbitrators or before the Council of the League of Nations rather than to the Court.

It is also certain that up to the time of the coming into force or acceptance of the Protocol accession to paragraph 2 of Article 36, which will thenceforth become compulsory, will remain optional, and that if such accession has already taken place it will continue to be valid in accordance with the terms under which it was made.

The only point which may cause difficulty is the question what is the effect of accessions given to the Protocol if the latter becomes null and void. It may be asked whether such accessions are to be regarded as so intimately bound up with the Protocol that they must disappear with it. The reply must be in the negative. The sound rule of interpretation of international treaties is that, unless there is express provision to the contrary, effects already produced survive the act from which they sprang.

The natural corollary is that any State which wishes to make the duration of its accession to Article 36 dependent on the duration of the Protocol must make an express stipulation to this effect. As Article 36 permits acceptance of the

engagement in question for a specified term only, a State may, when acceding, stipulate that it only undertakes to be bound during such time as the Protocol shall remain in force.

## 5. — STRENGTHENING OF PACIFIC METHODS OF PROCEDURE

### *Article 4.*

We have, in the second place, succeeded in making possible the pacific settlement of all disputes by strengthening the procedure laid down in the Covenant.

### *Article 4, paragraph 1.*

*Action by the Council with a view to reconciliation.* — If a dispute does not come within the compulsory jurisdiction of the Permanent Court of International Justice and if the Parties have been unable to come to an agreement to refer it to the Court or to submit it to arbitration, it should, under the terms of Article 15 of the Covenant, be submitted to the Council, which will endeavour to secure a settlement by reconciling the parties. If the Council's efforts are successful, it must, so far as it considers it advisable, make public a statement giving such facts and explanations regarding the dispute and the terms of settlement thereof as it may deem appropriate.

In this connection no change has been made in the procedure laid down by the Covenant. It appeared unnecessary to specify what particular procedure should be followed. The Council is given the utmost latitude in choosing the means most appropriate for the reconciliation of the parties. It may take advice in various quarters; it may hear expert opinions; it may proceed to investigations or expert enquiries, whether by itself or through the intermediary of experts chosen by it; it may even, upon application by one of the parties, constitute a special conciliation committee. The essential point is to secure, if possible, a friendly settlement of the dispute; the actual methods to be employed are of small importance. It is imperative that nothing should in any way hamper the Council's work in the interests of peace. It is for the Council to examine the question whether it would be expedient to draw up for its own use and bring to the notice of the Governments of the signatory States general regulations of procedure applicable to cases brought before it and designed to test the goodwill of the parties with a view to persuading them more easily to reach a settlement under its auspices.

Experience alone can show whether it will be necessary to develop the rules laid down in the first three paragraphs of Article 15 of the Covenant.

For the moment it would appear to be expedient to make no addition and to have full confidence in the wisdom of the Council, it being understood that, whether at the moment in question or at any other stage of the procedure, it will be open to the parties to come to an agreement for some different method of settlement : by way of direct understanding, constitution of a special committee of mediators or conciliators, appeal to arbitration or to the Permanent Court of International Justice.

The new procedure set up by the Protocol will be applicable only in the event of the Council's failing in its efforts at reconciliation and of the parties failing to come to an understanding in regard to the method of settlement to be adopted.

In such case, before going further, the Council must call upon the parties to submit their dispute to judicial settlement or to arbitration.

It is only in the case where this appeal—which the Council will make in the manner which appears to it most likely to secure a favourable hearing—is not listened to that the procedure will acquire the compulsory character which is necessary to make certain the final settlement of all disputes.

There are three alternatives :

- (a) Compulsory arbitration at the request of one of the parties;
- (b) A unanimous decision by the Council;
- (c) Compulsory arbitration enjoined by the Council.

Appropriate methods are laid down for all three cases.

*Article 4, paragraph 2.*

*First case of Compulsory Arbitration.* — If the parties, being called upon by the Council to submit their dispute to a judicial or arbitral settlement, do not succeed in coming to an agreement on the subject, there is no question of optional arbitration, but if a single party desires arbitration, arbitration immediately becomes compulsory.

The dispute is then *ipso facto* referred to a Committee of Arbitrators, which must be constituted within such time limit as the Council shall fix.

Full liberty is left to the parties themselves to constitute this Committee of Arbitrators. They may agree between themselves in regard to the number, names and powers of the arbitrators and the procedure. It is to be understood that the word "powers" is to be taken in the widest sense, including, *inter alia*, the questions to be put.

It was not considered desirable to develop this idea further. It appeared to be sufficient to state that any result which could be obtained by means of an agreement between the parties was preferable to any other solution.

It also appeared inexpedient to define precisely the powers which should be conferred upon the arbitrators. This is a matter which depends upon the circumstances of each particular case. According to the case, the arbitrators, as is said above may, fill the rôle of judges giving decisions of pure law or may have the function of arranging an amicable settlement with power to take account of considerations of equity.

It has not been thought necessary to lay this down in the form of a rule. It has appeared preferable to leave it in each case to the parties to agree between themselves to decide the matter according to the circumstances of the case.

Nevertheless, consideration has been given to the possibility that the arbitrators need not necessarily be jurists. It has therefore been decided that, when called upon to deal with points of law, they shall, if one of the parties so desires, request, through the medium of the Council, the advisory opinion of the Permanent Court of International Justice, which must, in such a case, meet with the utmost possible despatch. The opinion of the Court is obtained for the assistance of the arbitrators; it is not legally binding upon them, although its scientific authority must, in all cases, exercise a strong influence upon their judgment. With a view to preventing abusively frequent consultations of this kind, it is understood that the opinion of the Court in regard to disputed points of law can only be asked on a single occasion in the course of each case.

The extension which, in the new system of pacific settlement of disputes, has been given to the advisory procedure of the Court has suggested the idea that it might be desirable to examine whether, even in such cases, it might not be well to adopt the system of adding national judges which at present only obtains in litigious proceedings, and also that of applying to the advisory procedure the provisions of Article 24 of the Statute of the Court relating to withdrawal of judges.

If the parties have not been able to come to an understanding on all or on some of the points necessary to enable the arbitration to be carried out, it lies with the Council to settle the unsettled points, with the exception of the formulation of the questions to be answered, which the arbitrators must seek in the claims set out by the parties or by one of them if the others make default.

In cases where the selection of arbitrators thus falls upon the Council, it has appeared necessary—however much confidence may be felt in the Council's wisdom—to lay down for the selection of the arbitrators certain rules calculated to give the arbitration the necessary moral authority to ensure that it will in practice be respected.

The first rule is that the Council shall, before proceeding to the selection of arbitrators, have regard to the wishes of the parties. It was suggested that this idea should be developed by conferring on the parties the right to indicate their preferences and to challenge a certain number of the arbitrators proposed by the Council.

This proposal was set aside on account of the difficulty of laying down detailed regulations for the exercise of this double right. But it is understood that the Council will have no motive for failing to accept candidates proposed to it by the different parties nor for imposing upon them arbitrators whom they might wish to reject, nor, finally, for failing to take into account any other suggestion which the parties might wish to make. It is indeed evident that the Council will always be desirous of acting in the manner best calculated to increase to the utmost degree the confidence which the Committee of Arbitrators should inspire in the parties.

The second rule is based on the same point of view. It lays down the right of the Council to select the arbitrators and their president from among persons who, by their nationality, their personal character and their experience, appear to furnish the highest guarantees of competence and impartiality.

Here, too, experience will show whether it would be well for the Council to draw up general regulations for the composition and functioning of the compulsory arbitration now in question and of that above referred to, and for the conciliation procedure in the Council itself. Such regulations would be made for the Council's own use but would be communicated to the Governments of the signatory States.

#### *Article 4, paragraph 3.*

*Unanimous decision by the Council.* — If arbitration is refused by both parties the case will be referred back to the Council, but this time it will acquire a special character. Refusal of arbitration implies the consent of both parties to a final settlement of the dispute by the Council. It implies recognition of an exceptional jurisdiction of the Council. It denotes that the parties prefer the Council's decision to an arbitral award.

Resuming the examination of the question, the Council has not only the latitude which it customarily possesses. It is armed with full powers to settle the question finally and irrevocably if it is unanimous. Its decision, given unanimously by all the members other than those representing parties to the dispute, is imposed upon the parties with the same weight and the same force as the arbitration award which it replaces.

#### *Article 4, paragraph 4.*

*Second case of Compulsory Arbitration.* — If the Council does not arrive at a unanimous decision, it has to submit the dispute to the judgment of a Committee of Arbitrators, but this time, owing to the parties being deemed to have handed their case over to the Council, the organisation of the arbitration procedure is taken entirely out of their hands. It will be for the Council to settle all the details, the composition, the powers and the procedure of the Committee of Arbitrators. The Council is of course at liberty to hear the parties and even to invite suggestions from them, but it is under no obligation to do so. The only regulation with which it must comply is that, in the choice of arbitrators, it must bear in mind the guarantees of competence and impartiality which, by their nationality, their personal character and their experience, these arbitrators must always furnish.



*Article 4, paragraph 6.*

*Effect of, and Sanction enforcing, Decisions.* — Failing a friendly arrangement, we are, thanks to the system adopted, in all cases certain of arriving at a final solution of a dispute, whether in the form of a decree of the Permanent Court of International Justice or in the form of an arbitral award or, lastly, in the form of a unanimous decision of the Council.

To this solution the parties are compelled to submit. They must put it into execution or comply with it in good faith.

If they do not do so, they are breaking an engagement entered into towards the other signatories of the Protocol, and this breach involves consequences and sanctions according to the degree of gravity of the case.

If the recalcitrant party confines itself to offering passive resistance to the solution arrived at, it will first be the object of pacific pressure from the Council, which must exercise all its influence to persuade it to respect its engagements. If the Council is unsuccessful, it must propose measures calculated to ensure effect being given to the decision.

On this point the Protocol has been guided solely by the regulation contained at the end of Article 13 of the Covenant. The Council may thus institute against the recalcitrant party collective sanctions of an economic and financial order. It is to be supposed that such sanctions will prove sufficient. It has not appeared possible to go further and to employ force against a State which is not itself resorting to force. The party in favour of which the decision has been given might, however, employ force against the recalcitrant party if authorised to do so by the Council.

But if the State against which the decision has been given takes up arms in resistance thereto, thereby becoming an aggressor against the combined signatories, it deserves even the severe sanctions provided in Article 16 of the Covenant, interpreted in the manner indicated in the present Protocol.

*Sphere of Application of Methods of Pacific Procedure.* — Necessary as the system which we have laid down is for the purpose of ensuring settlement of all disputes, in applying it, the pacific aim which underlies it must be the only guide. It must not be diverted to other purposes and used as an occasion for chicanery and tendentious proceedings by which the cause of peace would lose rather than gain.

A few exceptions to the rule have also had to be made in order to preserve the elasticity of the system. These are cases in which the claimant must be non-suited, the claim being one which has to be rejected *in limine* by the Council, the Permanent Court of International Justice or the arbitrators, as the case may be.

The disputes to which the system will not apply are of three kinds :

*Article 4, paragraph 5.*

1. The first concerns disputes relating to questions which, at some time prior to the entry into force of the Protocol, have been the subject of a unanimous recommendation by the Council accepted by one of the parties concerned. It is essential to international order and to the prestige of the Council that its unanimous recommendations, which confer a right upon the State accepting them, shall not be called into question again by means of a procedure based upon compulsory arbitration. Failing a friendly arrangement, the only way which lies open for the settlement of disputes to which these recommendations may give rise is recourse to the Council in accordance with the procedure at present laid down in the Covenant.

of the League of Nations. It would certainly not be admissible that compulsory arbitration should become a weapon in the hands of an enemy to the community to be used against the freedom of action of those who, in the general interest, seek to impose upon that enemy respect for his engagements.

In order to avoid all difficulty of interpretation, these first two classes of exceptions have been formally stated in the Protocol.

3. There is a third class of disputes to which the new system of pacific settlement can also not be applied. These are disputes which aim at revising treaties and international acts in force, or which seek to jeopardise the existing territorial integrity of signatory States. The proposal was made to include these exceptions in the Protocol, but the two Committees were unanimous in considering that, both from the legal and from the political point of view, the impossibility of applying compulsory arbitration to such cases was so obvious that it was quite superfluous to make them the subject of a special provision. It was thought sufficient to mention them in this report.

#### 6. — ROLE OF THE ASSEMBLY UNDER THE SYSTEM SET UP BY THE PROTOCOL

##### *Article 6.*

The new procedure should be adapted to the old one, which gave the Assembly the same powers as the Council when a dispute is brought before it, either by the Council itself or at the request of one of the parties.

The question has arisen whether the system of maintaining in the new procedure this equality of powers between the two organs of the League of Nations is a practical one. Some were of opinion that it would be better to exclude intervention by the Assembly. Finally, however, the opposite opinion prevailed; an appeal to the Assembly may, indeed, have an important influence from the point of view of public opinion. Without going so far as to assign to the Assembly the same rôle as to the Council, it has been decided to adopt a mixed system by which the Assembly is, in principle substituted for the Council in order that, when a dispute is referred to it in conformity with paragraph 9 of Article 15 of the Covenant, it may undertake, in the place of the Council, the various duties provided for in Article 4 of the present Protocol with the exception of purely executive acts which will always devolve upon the Council. For example, the organisation and management of compulsory arbitration, or the transmission of a question to the Permanent Court of International Justice, must always be entrusted to the Council, because; in practice, the latter is the only body qualified for such purposes.

The possible intervention of the Assembly does not affect in any way the final result of the new procedure. If the Assembly does not succeed in conciliating the parties and if one of them so requests, compulsory arbitration will be arranged by the Council in accordance with the rules laid down beforehand.

If none of the parties asks for arbitration, the matter is referred back to the Assembly, and if the solution recommended by the Assembly obtains the majority required under paragraph 10 of Article 15 of the Covenant, it has the same value as a unanimous decision of the Council.

Lastly, if the necessary majority is not obtained, the dispute is submitted to a compulsory arbitration organised by the Council.

In any event, as in the case where the Council alone intervenes, a definitive and binding solution of the dispute is reached.

#### 7. — DOMESTIC JURISDICTION OF STATES

##### *Article 5.*

The present Protocol in no way derogates from the rule of Article 15, paragraph 8, of the Covenant, which protects national sovereignty.

In order that there might be no doubt on this point, it appeared advisable to say so expressly.

Before the Council, whatever be the stage in the procedure set up by the Protocol at which the Council intervenes, the provision referred to applies without any modification.

The rule is applied also to both cases of compulsory arbitration. If one of the States parties to the dispute claims that the dispute or part thereof arises out of a matter which by international law is solely within its jurisdiction, the arbitrators must on this point take the advice of the Permanent Court of International Justice through the medium of the Council, for the question thus put in issue is a legal question upon which a judicial opinion should be obtained.

The Court will thus have to give a decision as to whether the question in dispute is governed by international law or whether it falls within the domestic jurisdiction of the State concerned. Its functions will be limited to this point and the question will in any event be referred back to the arbitrators. But, unlike other opinions requested of the Court in the course of a compulsory arbitration—opinions which for the arbitrators are purely advisory—in the present case the opinion of the Court is compulsory in the sense that, if the Court has recognised that the question in dispute falls entirely within the domestic jurisdiction of the State concerned, the arbitrators will simply have to register this conclusion in their award. It is only if the Court holds that the question in dispute is governed by international law that the arbitrators will again take the case under consideration in order to give a decision upon its substance.

The compulsory character of the Court's opinion, in this case, increases the importance of the double question referred to above, in connection with Article 4, relating to the calling-in of national judges, and the application of Article 24 of the Statute of the Court in matters of advisory procedure.

While the principle of Article 15, paragraph 8, of the Covenant is maintained, it has been necessary, in order to make its application more flexible, to call in aid the rule contained in Article 11 of the Covenant, which makes it the duty of the League of Nations, in the event of war or a threat of war, to "take any action that may be deemed wise and effective to safeguard the peace of nations", and obliges the Secretary-General to summon forthwith a meeting of the Council on the request of any Member of the League. It is in this way understood that when it has been recognised that a dispute arises out of a matter which is solely within the domestic jurisdiction of one of the parties, that party or its opponent will be fully entitled to call upon the Council or the Assembly to act.

There is nothing new in this simple reference to Article 11. It leaves unimpaired the right of the Council to take such action as it may deem wise and effectual to safeguard the peace of nations. It does not confer new powers or functions on either the Council or the Assembly. Both these organs of the League simply retain the powers now conferred upon them by the Covenant.

In order to dispel any doubt which may arise from the parallel which has been drawn between Article 15, paragraph 8, and Article 11 of the Covenant, a very clear explanation was given in the course of the discussion in the First Committee.

Where a dispute is submitted to the Council under Article 15 and it is claimed by one party that the dispute arises out of a matter left exclusively within its domestic jurisdiction by international law, paragraph 8 prevents the Council from making any recommendations upon the subject if it holds that the contention advanced by the party is correct and that the dispute does in fact arise out of a matter exclusively within that State's jurisdiction.

The effect of this paragraph is that the Council cannot make any recommendation in the technical sense in which that term is used in Article 15, that is to say, it cannot make, even by unanimous report, recommendations which become binding on the parties in virtue of paragraph 6.

Unanimity for the purpose of Article 15 implies a report concurred in by all the members of the Council other than the parties to the dispute. Only a report so concurred in is one which the parties to the dispute are bound to observe, in the sense that, if they resort to war with any party which complies with the recommendations, it will constitute a breach of Article 16 of the Covenant and will set in play the sanctions which are there referred to.

On the other hand, Article 11 is of different scope : first, it operates only in time of war or threat of war; secondly, it confers no right on the Council or on the Assembly to impose any solution of a dispute without the consent of the parties. Action taken by the Council or the Assembly under this article cannot become binding on the parties to the dispute in the sense in which recommendations under Article 15 become binding, unless they have themselves concurred in it.

One last point should be made clear. The reference which is made to Article 11 of the Covenant holds good only in the eventuality contemplated in Article 15, paragraph 8, of the Covenant. It is obvious that when a unanimous decision of the Council or an arbitral award has been given upon the substance of a dispute, that dispute is finally settled and cannot again be brought either directly or indirectly under discussion. Article 11 of the Covenant does not deal with situations which are covered by rules of law capable of application by a judge. It applies only to cases which are not yet regulated by international law. In fact, it demonstrates the existence of loop-holes in the law.

The reference to Article 11 in two of the articles of the Protocol (Articles 5 and 10) has advantages beyond those to which attention is drawn in the commentary on the text of those articles. It will be an incitement to science to clear the ground for the work which the League of Nations will one day have to undertake with a view to bringing about, through the development of the rules of international law, a closer reconciliation between the individual interests of its Members and the universal interests which it is designed to serve.

## 8. — DETERMINATION OF THE AGGRESSOR

### *Article 10.*

In order that the procedure of pacific settlement may be accompanied by the necessary sanctions, it has been necessary to provide for determining exactly the State guilty of aggression to which sanctions are to be applied

This question is a very complex one, and in the earlier work of the League the military experts and jurists who had had to deal with it found it extremely difficult.

There are two aspects to the problem : first, aggression has to be defined, and, secondly, its existence has to be ascertained.

The definition of aggression is a relatively easy matter, for it is sufficient to say that any State is the aggressor which resorts in any shape or form to force in violation of the engagements contracted by it either under the Covenant (if, for instance, being a Member of the League of Nations, it has not respected the territorial integrity or political independence of another Member of the League) or under the present Protocol (if, for instance, being a signatory of the Protocol, it has refused to conform to an arbitral award or to a unanimous decision of the Council). This is the effect of Article 10, which also adds that the violation of the rules laid down for a demilitarised zone is to be regarded as equivalent to resort to war. The text refers to resort to war, but it was understood during the discussion that, while mention was made of the most serious and striking instance, it was in accordance with the spirit of the Protocol that acts of violence and force, which possibly may not constitute an actual state of war, should nevertheless be taken into consideration by the Council.

On the contrary, to ascertain the existence of aggression is a very difficult matter, for although the first of the two elements which together constitute aggres-

sion, namely, the violation of an engagement, is easy to verify, the second, namely, resort to force, is not an easy matter to ascertain. When one country attacks another, the latter necessarily defends itself, and when hostilities are in progress on both sides, the question arises which party began them.

This is a question of fact concerning which opinions may differ.

The first idea which occurs to the mind is to make it the duty of the Council to determine who is the aggressor. But, immediately, the question arises whether the Council must decide this question unanimously, or whether a majority vote would suffice. There are serious disadvantages in both solutions and they are therefore unacceptable.

To insist upon a unanimous decision of the Council exposes the State attacked to the loss of those definite guarantees to which it is entitled, if one single Member of the Council—be it in good faith or otherwise—insists on adhering to an interpretation of the facts different from that of all his colleagues. It is impossible to admit that the very existence of a nation should be subject to such a hazard. It is not sufficient to point out that the Council would be bound to declare the existence of aggression in an obvious case and that it could not fail to carry out its duty. The duty would be a duty without a sanction and if by any chance the Council were not to do its duty, the State attacked would be deprived of all guarantees.

But it would also be dangerous to rely on a majority vote of the Council. In that case, the danger would be incurred by the State called upon to furnish assistance and to support the heavy burden of common action, if it still entertained some doubt as to the guilt of the country against which it had to take action. Such a country would run the risk of having to conform to a decision with which it did not agree.

The only escape from this dilemma appeared to lie in some automatic procedure which would not necessarily be based on a decision of the Council. After examining the difficulty and discussing it in all its aspects, the First Committee believes that it has found the solution in the idea of a presumption which shall hold good until the contrary has been established by a unanimous decision of the Council.

The Committee is of opinion that this presumption arises in three cases, namely, when a resort to war is accompanied :

By a refusal to accept the procedure of pacific settlement or to submit to the decision resulting therefrom;

By violation of provisional measures enjoined by the Council as contemplated by Article 7 of the Protocol;

Or by disregard of a decision recognising that the dispute arises out of a matter which lies exclusively within the domestic jurisdiction of the other party and by failure or by refusal to submit the question first to the Council or the Assembly.

In these cases, even if there is not absolute certainty, there exists at any rate a very strong presumption which should suffice for the application of sanctions unless proof to the contrary has been furnished by a unanimous decision of the Council.

It will be noticed that there is a characteristic difference between the first two cases and the third.

In the first two cases the presumption exists when, in addition to a state of war, the special condition referred to is also fulfilled.

In the third case, however, the presumption is dependent upon three conditions : disobedience to a decision, wilful failure to take advantage of the remedy provided in Article 11 of the Covenant, and the existence of a state of war.

This difference is due to the necessity of taking into account the provisions of Article 5 analysed above, which, by its reference to Article 11 of the Covenant,

renders the application of paragraph 8 of Article 15 of the Covenant more flexible. After very careful consideration it appeared that it would be unreasonable and unjust to regard as *ipso facto* an aggressor a State which, being prevented through the operation of paragraph 8 of Article 15 from urging its claims by pacific methods and being thus left to its own resources, is in despair driven to war.

It was considered to be more in harmony with the requirements of justice and peace to give such a State which has been non-suited on the preliminary question of the domestic jurisdiction of its adversary, a last chance of arriving at an amicable agreement by offering it the final method of conciliation prescribed in Article 11 of the Covenant. It is only if, after rejecting this method, it has recourse to war that it will be presumed to be an aggressor.

This mitigation of the rigid character of paragraph 8 of Article 15 has been accepted, not only because it is just, but also because it opens no breach in the barrier set up by the Protocol against aggressive war : it in no way infringes the principle—which remains unshaken—that a war undertaken against a State whose exclusive jurisdiction has been formally recognised is an international crime to be avenged collectively by the signatories of the Protocol.

When a State whose demands have been met with the plea of the domestic jurisdiction of its adversary has employed the resource provided for in Article 11 of the Covenant, the presumption of aggression falls to the ground. The aggression itself remains. It will be for the Council to decide who is responsible for the aggression in accordance with the procedure which will be described below.

Apart from the above cases, there exists no presumption which can make it possible automatically to determine who is the aggressor. But this fact must be determined, and, if no other solution can be found, the decision must be left to the Council. The same principle applies where one of the parties is a State which is not a signatory of the Protocol and not a Member of the League.

If the Council is unanimous, no difficulty arises. If, however, the Council is not unanimous, the difficulty is to be overcome by directing that the Council must enjoin upon the belligerents an armistice the terms of which it will fix if need be by a two-thirds majority and the party which rejects the armistice or violates it is to be held to be an aggressor.

The system is therefore complete and is as automatic as it can be made.

Where a presumption has arisen and is not rejected by a unanimous decision of the Council, the facts themselves decide who is an aggressor; no further decision by the Council is needed and the question of unanimity or majority does not present itself; the facts once established, the Council is bound to act accordingly.

Where there is no presumption, the Council has to declare the fact of aggression; a decision is necessary and must be taken unanimously. If unanimity is not obtained, the Council is bound to enjoin an armistice, and for this purpose no decision properly speaking has to be taken : there exists an obligation which the Council must fulfil; it is only the fixing of the terms of the armistice which necessitates a decision, and for this purpose a two-thirds majority suffices.

It was proposed to declare that, in cases of extreme urgency, the Council might determine the aggressor, or fix the conditions of an armistice, without waiting for the arrival of the representative which a party not represented among its members has been invited to send under the terms of paragraph 5 of Article 4 of the Covenant.

It seemed preferable, however, not to lay down any rule on this matter at present but to ask the special Committee which the Council is to appoint for the drafting of amendments to the Covenant on the lines of the Protocol, to consider whether such a rule is really necessary.

It may in fact be thought that the Council already possesses all the necessary powers in this matter and that, in cases of extreme urgency, if the State invited to send a representative is too far distant from the seat of the Council, that body may decide that the representative shall be chosen from persons near at hand

and shall attend the meeting within a prescribed period, on the expiry of which the matter may be considered in his absence.

The fact of aggression having been established by presumption or by unanimous decision of the Council or by refusal to accept or violation of the armistice, it will only remain to apply the sanctions and bring into play the obligations of the guarantor States. The Council will merely call upon them to fulfil their duty; here, again, there is no decision to be taken but an obligation to be fulfilled, and the question of majority or unanimous vote does not arise.

It is not, indeed, a matter of voting at all.

In order to leave no room for doubt, it has been formally laid down that a State which, at the invitation of the Council, engages in acts of violence against an aggressor is in the legal position of a belligerent and may consequently exercise the rights inherent in that character.

It was pointed out in the course of the discussion that such a State does not possess entire freedom of action. The force employed by it must be proportionate to the object in view and must be exercised within the limits and under the conditions recommended by the Council.

#### *Article 18.*

Likewise, in order to avoid any misunderstanding, it has been stipulated, in a special Article, that unanimity or the necessary majority in the Council is always calculated according to the rule referred to on several occasions in Article 15 of the Covenant and repeated in Article 16 of the Covenant for the case of expulsion of a Member from the League, viz., without counting the votes of the representatives of the parties to the dispute.

### 9. — DISPUTES BETWEEN STATES SIGNATORY AND STATES NON-SIGNATORY OF THE PROTOCOL

#### *Article 16.*

As regards the settlement of disputes arising between a State signatory and one or more States non-signatory and non-Members of the League of Nations, the new system has had to be adapted to the former system.

In order that States signatory might enjoy the essential advantages offered by the Protocol, which forbids all wars of aggression, it has been necessary to bring the rule laid down in Article 17 of the Covenant into harmony with the provisions of the Protocol. It has therefore been decided that States non-signatory and non-Members of the League of Nations in conflict with a State signatory shall be invited to conform to the new procedure of pacific settlement and that, if they refuse to do so and resort to war against a State signatory, they shall be amenable to the sanctions provided by Article 16 of the Covenant as defined by the Protocol.

There is no change in the arrangements laid down in the Covenant for the settlement of disputes arising between States Members of the League of Nations of which one is a signatory of the Protocol and the other is not. The legal nexus established by the Covenant between two such parties does not allow the signatory States to apply as of right the new procedure of pacific settlement to non-signatory but Member States. All that signatory States are entitled to expect as regards such other States is that the Council should provide the latter with an opportunity to follow this procedure and it is to be hoped that they will do so. But such States can only be offered an opportunity to follow the new procedure; they cannot be obliged to follow it. If they refuse, preferring to adhere to the procedure laid down in the Covenant, no sanctions could possibly be applied to them.

The above indicated solution of the case of States non-signatory but Members of the League of Nations appears to be so obvious as to require no special mention

in the Protocol. A proposal to make a special mention of the matter was made, but after explanations had been given, the authors withdrew their suggestion, declaring that they would be satisfied with the above reference to the subject.

At first sight the difference in the way it is proposed to treat non-signatories non-Members of the League of Nations and non-signatory Members of the League may cause some surprise, for it would seem that the signatory States impose greater obligations on the first category than on the second. This, however, is only an appearance. In reality, the signatory States impose no obligations on either category. They cannot do so because the present Protocol is *res inter alios acta* for all non-signatory States, whether they are Members of the League of Nations or not. The signatories merely undertake obligations as between themselves as to the manner in which they will behave if one of them becomes involved in a conflict with a third State. But whereas, in possible conflicts with a State non-signatory and non-Member of the League, they are entirely free to take such action as they choose, in conflicts which may arise between them and States non-signatory but Members, like themselves, of the League of Nations, their freedom of action is to some extent circumscribed because both parties are bound by legal obligations arising under the Covenant.

## 2. — Work of the third Committee.

(*Rapporteur* : M. BÉNÉS)

### SECURITY AND REDUCTION OF ARMAMENTS

(*Articles 7 to 9, 11 to 15, 17 and 21 of the Protocol*)

#### 1. — INTRODUCTION

The special work of the Third Committee was to deal with the problem of security (sanctions) and the reduction of armaments.

The work required, above all, important political negotiations. While the question of arbitration only required one political decision of principle, namely, the acceptance of compulsory arbitration, and the remainder was principally a matter of drafting—without question an extremely difficult task—of a scheme for the application of such arbitration, the questions of security and disarmament necessitated long and laborious political negotiations; for they involved fundamental interests, questions of vital importance to the States, engagements so far-reaching as radically to change the general situation of the various countries.

Although in the work of the First Committee the Assembly had distinctly indicated in its resolution of September 6th that there was a likelihood—indeed, a necessity—of amending the Covenant, the work of the Third Committee as regards questions of security and reduction of armaments had, in conformity with the debates of the Assembly, to remain within the framework of the Covenant. Above all, it was a question of developing and rendering more precise what is already laid down in the Covenant. All our discussions, all our labours, were guided by these principles, and a delicate task was thus imposed upon us. But the spirit of conciliation which pervaded all the discussions has permitted us to resolve the two problems which were placed before us. This is, indeed, an important result, and if the solution of the problem of arbitration which has been so happily arrived at by the First Committee be also taken into consideration, we are in the presence of a system, the adoption of which may entirely modify our present political life.

This is the real import of the articles of the Protocol concerning the questions of security and reduction of armaments.



## 2. — THREAT OF AGGRESSION: PREVENTIVE MEASURES

*Article 7.*

The pacific settlement of disputes being provided for in the present Protocol, the signatory States undertake, should any conflict arise between them, not to resort to preparations for the settlement of such dispute by war and, in general, to abstain from any act calculated to aggravate or extend the said dispute. This provision applies both to the period preceding the submission of the dispute to arbitration or conciliation and to the period in which the case is pending.

This provision is not unaccompanied by sanctions. Any appeal against the violation of the aforesaid undertakings may, in conformity with Article 11 of the Covenant, be brought before the Council. One might say that, in addition to such primary dispute as is or might be submitted to the Council or to some other competent organ, a second dispute arises, caused by the violation of the undertakings provided for in the first paragraph.

The Council, unless it be of opinion that the appeal is not worthy of consideration, will proceed with the necessary enquiries and investigations. Should it be established that an offence has been committed against the provisions of the first paragraph, it will be the duty of the Council, in the light of the results of such enquiries and investigations, to call upon any State guilty of the offence to put an end thereto. Any such State failing to comply will be declared by the Council to be guilty of violation of the Covenant (Article 11) or the Protocol.

The Council must, further, take the necessary measures to put an end, as soon as possible, to a situation calculated to threaten the peace of the world. The text does not define the nature of these preventive measures. Its elasticity permits the Council to take such measures as may be appropriate in each concrete case, as, for example, the evacuation of territories.

Any decisions which may be taken by the Council in virtue of this Article may be taken by a two-thirds majority, except in the case of decisions dealing with questions of procedure which still come under the general rule of Article 5, paragraph 2, of the Covenant. The following decisions, therefore, can be taken by a two-thirds majority :

The decision as to whether there has or has not been an offence against the first paragraph;

The decision calling upon the guilty State to remedy the offence;

The decision as to whether there has or has not been refusal to remedy the offence;

Lastly, the decision as to the measures calculated to put an end, as soon as possible, to a situation calculated to threaten the peace of the world.

The original text of Article 7 provided that, in the case of enquiries and investigations, the Council should avail itself of the organisation to be set up by the Conference for the Reduction of Armaments in order to ensure respect for the decisions of that Conference. There is no longer any mention of this organisation, but this omission does not prejudice any decisions which the Conference may be called upon to take regarding the matter. It will be entirely free to set up an organisation, if it judges this necessary, and the Council's right to make use of this body for the enquiries and investigations contemplated will, *a fortiori*, remain intact.

*Article 8.*

Article 8 must be considered in relation to Article 2. Article 2 establishes the obligation not to resort to war, while Article 8, giving effect to Article 10 of the Covenant, goes further. The signatories undertake to abstain from any act which might constitute a threat of aggression against any other State. Thus, every act

which comes within the scope of this idea of a threat of war—and its scope is sufficiently elastic—constitutes a breach of the Protocol, and therefore a dispute with which the Council is competent to deal.

If, for example, one State alleges that another State is engaged in preparations which are nothing less than a particular form of threat of war (such as any kind of secret mobilisation, concentration of troops, formation of armed bodies with the connivance of the Government, etc.), the Council, having established that there is a case for consideration, will apply the procedure which may be defined as the procedure of preventive measures; it will arrange for suitable enquiries and investigations, and, in the event of any breach of the provisions of paragraph 1 being established, will take the steps described in Article 7, paragraph 4.

### 3. — SECURITY — SANCTIONS

#### *Article II.*

*(Article II, paragraphs 1 and 2, of the Protocol in its relation to Articles 10 and 16 of the Covenant)*

According to Article 10 of the Covenant, Members of the League undertake to preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of aggression, the Council shall advise upon the means by which this obligation shall be fulfilled.

According to Article 16, should any Member of the League resort to war in disregard of its engagements under Articles 12, 13 or 15, all other Members of the League undertake immediately to apply economic sanctions; furthermore, it shall be the duty of the Council to recommend to the several Governments concerned what effective military, naval or air forces the Members of the League shall severally contribute to the armed forces to be used to protect the engagements of the League.

At the time when they were drafted at the Peace Conference in Paris in 1919, these articles gave rise to keen controversy as to the exact scope of the engagements entered into in these provisions, that is to say, as to the nature and extent of the obligations referred to in Article 10, the exact moment at which such obligations arose, and the legal consequences of the Council recommendations referred to in Article 16, paragraph 2. This controversy continued, as is well known, in the debates here in Geneva, where the question has been discussed in previous years.

Article 11 is intended to settle this controversy. The signatories of the present Protocol accept the obligation to apply against the aggressor the various sanctions laid down in the Covenant, as interpreted in Article 11 of the Protocol, when an act of aggression has been established and the Council has called upon the signatory States immediately to apply such sanctions (Article 10, last paragraph). Should they fail so to do, they will not be fulfilling their obligations.

The nature and extent of this obligation is clearly defined in paragraph 2 of Article 11. According to this paragraph, the reply to the question whether a signatory to the Protocol has or has not fulfilled its obligation depends on whether it has loyally and effectively co-operated in resisting the act of aggression to an extent consistent with its geographical position and its particular situation as regards armaments.

The State remains in control of its forces, and itself, and not the Council, directs them, but paragraph 2 of Article 11 gives us positive material upon which to form a judgment as to whether or not the obligation has been carried out in any concrete case. This criterion is supplied by the term : *loyally and effectively*.

In answering the question whether a State has or has not fulfilled its obligations in regard to sanctions, a certain elasticity in the obligations laid down in Ar-

ticle 11 allows of the possibility of *taking into account, from every point of view, the position of each State which is a signatory to the present Protocol*. The signatory States are not all in possession of equal facilities for acting when the time comes to apply the sanctions. This depends upon the geographical position and economic and social condition of the State, the nature of its population, internal institutions, etc.

Indeed, during the discussion as to the system of sanctions, certain delegations declared that their countries were in a special situation by reason of their geographical position or the state of their armaments. These countries desired to co-operate to the fullest extent of their resources in resistance to every act of aggression, but they drew attention to their special conditions. In order to take account of this situation, an addition has been made to paragraph 2 of Article 11 pointing out this state of affairs and laying stress on the particular situation of the countries in question. Moreover, Article 13 of the Protocol allows such countries to inform the Council of these matters beforehand.

I would further add that the obligations I refer to are imperfect obligations in the sense that no sanctions are provided for against any party which shall have failed loyally and effectively to co-operate in protecting the Covenant and resisting every act of aggression. It should, however, be emphasised that such a State would have failed in the fulfilment of its duties and would be guilty of a violation of engagements entered into.

In view of the foregoing, the gist of Article 11, paragraphs 1 and 2, might be expressed as follows : Each State is the judge of the manner in which it shall carry out its obligations but not of the existence of those obligations, that is to say, each State remains the judge of what it will do but no longer remains the judge of what it should do.

Now that the present Protocol has defined more precisely the origin, nature and extent of the obligations arising out of the Covenant, the *functions of the Council, as provided in Articles 10 and 16, have become clearer and more definite*.

Directly the Council has called upon the signatories to the Protocol to apply without delay the sanctions provided in Article 11, it becomes a regulating, or rather an advisory, body, but not an executive body. The nature of the acts of aggression may vary considerably; the means for their suppression will also vary. It would frequently be unnecessary to make use of all the means which, according to paragraphs 1 and 2 of Article 11, are, so to speak, available for resisting an act of aggression. It might even be dangerous if, from fear of failing in their duties, States made superfluous efforts. It will devolve upon the Council, which, under Article 13 can be put in possession of the necessary data, to give *its opinion*, should need occur, as to the best means of executing the obligations which arise directly it enjoins the application of sanctions, especially as to the sequence in which the sanctions must be applied.

The practical application of the sanctions would, however, always devolve upon the Governments; the real co-operation would ensue upon their getting into touch, through diplomatic channels—perhaps by conferences—and by direct relations between different General Staffs, as in the last war. The Council would, of course, be aware of all these negotiations, would be consulted and make recommendations.

The difference between the former state of affairs and the new will therefore be as follows :

According to the system laid down by the Covenant :

1. The dispute arises.
2. In cases where neither the arbitral procedure nor the judicial settlement provided for in Article 13 of the Covenant is applied, the Council meets and discusses the dispute, attempts to effect conciliation, mediation, etc.
3. If it be unsuccessful and war breaks out, the Council, if unanimous, has to express an opinion as to which party is guilty. The Members of the

League then decide for themselves whether this opinion is justified and whether their obligations to apply economic sanctions become operative.

4. It then has, *by a unanimous decision, to recommend* military sanctions.

5. If unanimity cannot be obtained, the Council ceasing to take action, each party is practically free to act as it chooses.

According to the new system defined in the Protocol, the situation is as follows :

1. The dispute arises.

2. The system of peaceful settlement provided for by the Protocol comes into play.

3. The Council intervenes, and if, after arbitration has been refused, war is resorted to, if the provisional preventive measures are not observed, etc., the Council decides which party is the aggressor and calls upon the signatory States to apply the sanctions.

4. This decision implies that such sanctions as the case requires—economic, financial, military, naval and air—shall be applied forthwith, and without further recommendations or decisions.

We have therefore the following new elements :

(a) The obligation to apply the necessary sanctions of every kind as a direct result of the decision of the Council.

(b) The elimination of the case in which all parties would be practically free to abstain from any action. The introduction of a system of arbitration and of provisional measures which permits of the determination in every case of the aggressor.

(c) No decision is taken as to the strength of the military, naval and air forces, and no details are given as to the measures which are to be adopted in a particular case. None the less, objective criteria are supplied which define the obligation of each signatory; it is bound, in resistance to an act of aggression, to collaborate *loyally and effectively* in applying the sanctions in accordance with its geographical situation and its particular situation as regards armaments.

That is why I said that *the great omission in the Covenant has been made good*.

It is true that no burden has been imposed on States beyond the sanctions already provided for in the Covenant. But, at present, a State seeking to elude the obligations of the Covenant can reckon on two means of escape :

(1) The Council's recommendations need not be followed.

(2) The Council may fail to obtain unanimity, making impossible any declaration of aggression, so that no obligation to apply military sanctions will be imposed and everyone will remain free to act as he chooses.

We have abandoned the above system and both these loopholes are now closed.

#### *Article II, paragraphs 3 and 4.*

Paragraph 3 of Article II has been drafted with a view to giving greater precision to certain provisions of Article II, paragraph 3, of the Covenant. Article I6, paragraph 3, refers to mutual support in the application of financial and economic measures. Article II, paragraph 3, of the present Protocol establishes real economic and financial co-operation between a State which has been attacked and the various States which come to its assistance.

As, under Article 10 of the Protocol, it may happen that both States involved in a dispute are declared to be aggressors, the question arose as to what would be

the best method of settling this problem. There were three alternatives : to apply the principle contained in paragraph 1, which is practically equivalent to making a sort of police war on both parties—or to leave the matter to pursue its course, or, finally, to compel States which disturb the peace of the world to desist from acts of war by the employment of means less severe than those indicated in paragraph 1. It is the last method which has been chosen. Only economic measures will be taken against such States, and naturally they will not be entitled to receive the assistance referred to in Article 11, paragraph 3.

## Article 12.

Article 16, paragraph 1, of the Covenant provides for the immediate severance of all trade or financial relations with the aggressor State, and paragraph 3 of the same Article provides, *inter alia*, for economic and financial co-operation between the State attacked and the various States coming to its assistance.

As has already been pointed out, these engagements have been confirmed and made more definite in Article 11 of the Protocol.

But the severance of relations and the co-operation referred to necessarily involve measures so complex that, when the moment arises, doubts may well occur as to what measures are necessary and appropriate to give effect to the obligations assumed under the above provisions. These problems require full consideration in order that States may know beforehand what their attitude should be.

Article 12 defines the conditions of such investigation.

It is not expressly stated that the problem will be examined by the Council in collaboration with the various Governments, but the Council will naturally, if it deems it necessary, invite the Governments to furnish such information as it may require for the purpose of carrying out the task entrusted to it under Article 12.

## Article 13, paragraph 1.

The above explanation of Article 11, paragraphs 1 and 2, contains many references to Article 13.

As I have already pointed out, in case sanctions have to be applied, it is highly important that there should exist some organ competent to express an opinion as to the best way in which their obligations could be carried out by the signatories. As you are aware, this organ, according to the Covenant, is the Council. In order that the Council may effectively fulfil this duty, Article 13 empowers it to receive undertakings from States, determining *in advance* the military, naval and air forces which they would be able to bring into action immediately in order to ensure the fulfilment of the obligations in regard to sanctions arising, out of the Covenant and the present Protocol.

It is also necessary to emphasise the fact that the means which the States signatories to the present Protocol have at their disposal for the fulfilment of the obligations arising out of Article 11 vary considerably owing to the differences in the geographical, economic, financial, political and social condition of different States. Information as to the means at the disposal of each State is therefore indispensable in order that the Council may in full understanding give its opinion as to the best method by which such obligations may best be carried out.

Finally, as regards the question of the reduction of armaments, which is the final goal to which our efforts are tending, the information thus furnished to the Council may be of very great importance, as every State, knowing what forces will be available for its assistance in case it is attacked, will be able to judge to what extent it may reduce its armaments without compromising its existence as a State, and every State will thus be able to provide the International Conference for the Reduction of Armaments with very valuable data. I should add, moreover, that Article 13, paragraph 1, does not render it compulsory for States to furnish this

information. It is desirable that States should furnish the Council with this information, but they are at liberty not to do so.

*Article 13, paragraphs 2 and 3.*

The provisions of Article 13, paragraphs 2 and 3, refer to the special agreements which were discussed at such length last year. In view of the fact that, according to paragraph 2, such agreements can only come into force when the Council has invited the signatory States to apply the sanctions, the nature of these agreements may be defined as follows :

Special agreements must be regarded as the means for the rapid application of sanctions of every kind in a particular case of aggression. They are additional guarantees which give weaker States an absolute assurance that the system of sanctions will never fail. They guarantee that there will always be States prepared immediately to carry out the obligations provided for in Article 11 of the Protocol.

In accordance with Article 18 of the Covenant, it is expressly stated that these agreements will be registered and published by the Secretariat, and it has also been decided that they will remain open for signature to any State Member of the League of Nations which may desire to accede to them.

4. — ENDING OF SANCTIONS : PUNISHMENT OF THE AGGRESSOR

*Article 14.*

Article 14 is in perfect keeping with the last paragraphs of Articles 10 and 11. In the paragraphs in question, the coming into operation of the sanctions depends upon an injunction by the Council; it therefore also devolves upon the Council to declare that the object for which the sanctions were applied has been attained. Just as the application of the sanctions is a matter for the States, so it rests with them to liquidate the operations undertaken with a view to resisting the act of aggression.

*Article 15.*

Paragraph 1 is similar to Article 10 of the Draft Treaty of Mutual Assistance drawn up last year.

Paragraph 2 is designed to prevent the sanctions provided for in Article 11 from undergoing any change in character during the process of execution and developing into a war of annexation.

In view of the observations of various delegations regarding the punishment of the aggressor, it should be added that it would be incorrect to interpret this article as meaning that the only penalties to be apprehended by the aggressor as the result of his act shall be the burdens referred to in paragraph 1. If necessary, securities against fresh aggression, or pledges guaranteeing the fulfilment of the obligations imposed in accordance with paragraph 1, might be required. Only annexation of territory and measures involving the loss of political independence are declared inadmissible.

"Territory" is to be taken to mean the whole territory of a State, no distinction being made between the mother-country and the colonies.

5. — REDUCTION OF ARMAMENTS

*Articles 17 and 21.*

Although it has not been possible to solve the problem of the reduction of armaments in the clauses of the document submitted to the Assembly for approval, our work paves the way to it and makes it possible.

The reduction of armaments will result, in the first place, from the general security created by a diminution of the dangers of war arising from the compulsory pacific settlement of all disputes.

It will also ensue from the certainty which any State attacked will have of obtaining the economic and financial support of all the signatory States, and such support would be especially important should the aggressor be a great Power, capable of carrying on a long war.

Nevertheless, for States which, owing to their geographical position, are especially liable to attack, and for States whose most important centres are adjacent to their frontiers, the dangers of a sudden attack are so great that it will not be possible for them to base any plan for the reduction of their armaments simply upon the political and economic factors referred to above, no matter what the importance of such factors may be.

It has also been repeatedly declared that many States would require to know what military support they could count on, before the convening of the Conference, if they are to submit to the Conference proposals for large reductions of armaments; this might necessitate negotiations between the Governments and with the Council before the meeting of the Conference for the reduction of armaments provided for in Article 17. The undertakings referred to in Article 13 of the Protocol should be interpreted in the light of the above.

In drawing up the general programme of the Conference, it will also be necessary, as stated in paragraph 2 of Article 17, for the Council, apart from other criteria "to take into account the undertakings mentioned".

In view of the close interdependence of the three great problems involved, namely, the pacific settlement of disputes, sanctions against those who disturb the peace of the world, and reduction of armaments, the Protocol provides for the convening by the Council of a general Conference for the Reduction of Armaments and for the preparation of the work of such a Conference. Furthermore, the application of the clauses concerning arbitration and sanctions will be conditional on the adoption by the said Conference of a plan for the reduction and limitation of armaments.

Moreover, in order to preserve the connection between the three big problems referred to above, it is provided that the whole Protocol will lapse in the event of the non-execution of the scheme adopted by the Conference. It devolves upon the Council to declare this under conditions to be determined by the Conference itself.

The last paragraph of Article 21 provides for the case of the partial lapsing of the Protocol after it has been put into force. Should the plan adopted by the Conference be regarded as having been put into effect, any State which fails to execute it, so far as it is concerned, will not benefit by the provisions of the Protocol.

## 6. — THE COVENANT AND THE PROTOCOL

### *Article 19.*

The present Protocol emphasises and defines certain obligations arising out of the Covenant. Those of which the present Protocol makes no mention are not affected in any manner. They still exist. Examples which might be quoted are those laid down in Article 16, paragraph 3, of the Covenant, namely, the obligation of the States to give one another mutual support in order to minimise the loss and inconvenience resulting from the application of the economic and financial sanctions or the obligation of the States to take the necessary steps to afford passage through their territory to forces which are co-operating to protect the covenants of the League.

Moreover, as the Swiss Delegation suggests, attention should be directed to the fact that the present Protocol does not in any way affect the special position of Switzerland arising out of the Declaration of the Council at London on February 13th, 1920. As the special position of Switzerland is in accordance with the Covenant, it will also be in accordance with the Protocol.

### III

#### CONCLUSION

No further explanations need be added to these comments on the articles. The main principles of the Protocol are clear, as are the detailed provisions.

Our purpose was to make war impossible, to kill it, to annihilate it. To do this, we had to create a system for the pacific settlement of *all disputes* which might arise. In other words, it meant the creation of a system of arbitration from which no international dispute, whether legal or political, could escape. The plan drawn up leaves no loophole; it prohibits wars of every description and lays down that all disputes shall be settled by pacific means.

But this absolute character which has been given to the system of arbitration should also belong to the whole of the scheme, to the treatment of every question of principle. If there were one single gap in the system, if the smallest opening were left for any measure of force, the whole system would collapse.

To this end arbitration is provided for every kind of dispute, and aggression is defined in such a way as to give no cause for hesitation when the Council has to take a decision.

These reasons led us to fill in the gaps in the Covenant and to define the sanctions in such a way that no possible means could be found of evading them, and that there should be a sound and definite basis for the feeling of security.

Finally, the Conference for the Reduction of Armaments is indissolubly bound up with this whole system : *there can be no arbitration or security without disarmament, nor can there be disarmament without arbitration and security.*

The peace of the world is at stake.

The Fifth Assembly has undertaken a work of worldwide political importance which, if it succeeds, is destined profoundly to modify present political conditions. This year great progress in this direction has been made in our work. If we succeed, the League of Nations will have rendered an inestimable service to the whole modern world. Such success depends partly upon the Assembly itself and partly upon individual Governments. We submit to the Assembly the fruit of our labours : a work charged with the highest hopes. We beg the Assembly to examine our proposals with care, and to recommend them to the various Governments for acceptance.

In this spirit and with such hopes do we request the Assembly to vote the draft resolutions 1 and 2 that are presented with this Report.

### III. — Resolutions of the Fifth Assembly on the Reduction of Armaments

#### *Arbitration, Security and Reduction of Armaments.*

##### I. THE ASSEMBLY,

Having taken note of the reports of the First and Third Committees on the questions referred to them by the Assembly resolution of September 6th, 1924.

Welcomes warmly the draft Protocol on the Pacific Settlement of International Disputes proposed by the two Committees, of which the text is annexed to this resolution, and

##### Decides

(1) To recommend to the earnest attention of all the Members of the League the acceptance of the said draft Protocol;



(2) To open immediately the said Protocol in the terms proposed for signature by those representatives of Members of the League who are already in a position to sign it and to hold it open for signature by all other States;

(3) To request the Council forthwith to appoint a Committee to draft the amendments to the Covenant contemplated by the terms of the said Protocol;

(4) To request the Council to convene an International Conference for the Reduction of Armaments, which shall meet at Geneva as provided by the following stipulations of Article 17 of the draft Protocol :

"In preparation for the convening of the Conference, the Council shall draw up, with due regard to the undertakings contained in Articles 11 and 13 of the present Protocol, a general programme for the reduction and limitation of armaments which shall be laid before the Conference and be communicated to the Governments at the earliest possible date, and at the latest, three months before the Conference meets.

"If by May 1st, 1925, ratifications have not been deposited by at least a majority of the permanent Members of the Council and ten other Members of the League, the Secretary-General of the League shall immediately consult the Council as to whether he shall cancel the invitations or merely adjourn the Conference to a subsequent date to be fixed by the Council so as to permit the necessary number of ratifications to be obtained."

(5) To request the Council to put into immediate execution the provisions of Article 12 of the draft Protocol.

## II. THE ASSEMBLY,

Having taken cognisance of the report of the First Committee upon the terms of Article 36, paragraph 2, of the Statute of the Permanent Court of International Justice;

Considering that the study of the said terms shows them to be sufficiently wide to permit States to adhere to the special Protocol, opened for signature in virtue of Article 36, paragraph 2, with the reservations which they regard as indispensable;

Convinced that it is in the interest of the progress of international justice, and consistent with the expectations of the opinion of the world, that the greatest possible number of States should, to the widest possible extent, accept as compulsory the jurisdiction of the Court.

### Recommends :

States to accede at the earliest possible date to the special Protocol opened for signature in virtue of Article 36, paragraph 2, of the Statute of the Permanent Court of International Justice.

## *Conference for the Reduction of Armaments.*

I. The Assembly recommends the Council to place the question of Regional Agreements for the Reduction of Armaments on the agenda of the International Conference for the Reduction of Armaments.

II. Whereas the majority of the States which have replied have stated that, with certain exceptions, they have not exceeded the expenditure on armaments shown in their last budgets, and whereas the recommendation addressed to the Governments relates to the period which must elapse before the meeting of the International Conference for the Reduction of Armaments, which is to take place next year :

The Assembly does not consider it necessary to repeat the recommendation regarding the limitation of expenditure on armaments, as this question is to be placed upon the agenda of the International Conference for the Reduction of Armaments.

### III. The Assembly is of the opinion :

1. That another technical conference on naval disarmament is unnecessary.

2. That the question of naval disarmament should be discussed as part of the general question of disarmament dealt with by the International Conference proposed in the resolution of September 6th, 1924, adopted by the Fifth Assembly, and that it rests with the Council to settle the programme.

IV. The Assembly requests the Council, in preparing the general programme of the Conference for the Reduction of Armaments provided for in Article 17 of the Protocol, to consider the advisability of including in that programme the following points :

1. General plan for a reduction of armaments in accordance with Article 8 of the Covenant, in particular :

(a) Basis and methods of reduction (budget, peace-time effectives, tonnage of naval and air fleets, population, configuration of frontiers, etc.);

(b) Preparation of a typical budget for expenditure on armaments.

2. Special position of certain States in relation to the reduction of armaments :

(a) Temporary reservations by countries exposed to special risks;

- (b) Recommendation of regional agreements for the reduction (or limitation) of armaments,
- 3. Recommendation of the establishment of demilitarised zones (Article 9).
- 4. Control and investigation of armaments in the contracting States.

The Assembly also requests the Council to instruct the competent organisations of the League to examine the schemes relating to the above questions which have already been submitted to the Third Committee, or which may subsequently be received by the Secretariat, and to take them into consideration in preparing the programme of the Conference.

#### IV. — Resolution of the Council, october 3<sup>rd</sup> 1924.

1. With a view to the preparation of the Conference for the Reduction of Armaments, the Council decides to form itself into a Committee. The representatives on the Council who consider that it will not be possible to attend the Committee in person will, as soon as possible, send to the Secretary-General the names of their substitutes on this Committee.

The Committee will hold its first meeting on November 17th, in order to draw up a general programme of the work connected with the application of Article 12 of the Protocol and with the reduction of armaments.

The Governments of the States represented on the Council are requested to give their representatives on the Committee the necessary instructions in order that the general lines of the programme may be laid down during its meeting of November 17th. The Secretary-General will invite the Governments of the States Members of the League not represented on the Council to forward through him to the Committee any suggestions which they may think useful with a view to the preparation of this programme.

2. The Secretariat is requested to collect the data necessary for the economic and financial investigations relative to the application of Article 12 of the Protocol, and is authorised to distribute these data to the competent organs of the League (Economic and Financial Organisation and Transit Organisation) with a view to the work which will subsequently be required of them by the Committee.

The Secretariat will obtain information from the official documents at the disposal of the League or from documents which might, if necessary, be furnished by the Governments.

3. In conformity with the Assembly resolution, and in order to assist the Committee in co-ordinating the preparatory work for the Conference, the Temporary Mixed Commission shall be re-organised and shall take the name of the Co-ordination Commission, and be composed as follows :

- (a) The Committee of the Council (ten members) assisted by;
- (b) The President and one member or two members of each of the three Organisations, Economic Financial and Transit (six members);
- (c) Six members appointed by the Permanent Advisory Commission (six members);
- (d) Two members of the Employers' Group and two members of the Workers' Group of the Governing Body of the International Labour Office, appointed by the latter (four members);
- (e) If considered advisable, a certain number of experts—jurists and others—appointed by the Council.

"The Secretary-General is requested to invite at a suitable moment the above-mentioned organisations to appoint their representatives "



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OF THE  
LEAGUE OF NATIONS

NOVEMBER 1924

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Vol. IV. No. 11

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NOVEMBER 1924

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>Summary of the Month.</i> . . .	247	The Financial Recon-	
II. <i>Reduction of Armaments and</i>		struction of Hungary .	250
<i>Military Control</i> . . . . .	248	3. <i>Communications and Tran-</i>	
1. <i>Preparation of the Confe-</i>		sit.	251
<i>rence for the Reduction</i>		<i>Seventh Plenary Session of</i>	
<i>of Armaments</i> . . . . .	248	<i>the Advisory Committee.</i>	251
2. <i>Sixteenth Session of the</i>		4. <i>Intellectual Co-operation.</i> .	254
<i>Permanent Advisory Com-</i>		V. <i>Administrative Questions</i> . .	254
<i>mission for Military, Na-</i>		1. <i>Danzig.</i> . . . . .	254
<i>val and Air Questions.</i> .	248	2. <i>Fifth Session of the Perma-</i>	
III. <i>General Questions</i> . . . . .	249	<i>nent Mandates Commis-</i>	
1. <i>International Agreements</i> .	249	<i>sion</i> . . . . .	255
a) <i>Registration of Treaties</i>		VI. <i>Protection of Minorities</i> . .	256
<i>and International</i>		<i>Exchange of Greek and Tur-</i>	
<i>Agreements.</i> . . . . .	249	<i>kish Populations.</i> . . . . .	256
b) <i>International Conven-</i>		VII. <i>Political Questions.</i> . . . .	257
<i>tions : Adhesions and</i>		<i>The Iraq Frontier</i> . . . . .	257
<i>Ratifications</i> . . . . .	250	VIII. <i>Social and Humanitarian Ques-</i>	
c) <i>Protocol for the Pacific</i>		<i>tions</i> . . . . .	257
<i>Settlement of Interna-</i>		1. <i>Traffic in Opium</i> . . . . .	257
<i>tional Disputes : Adhe-</i>		a) <i>First Conference</i> . . . .	257
<i>sions and Ratifications.</i>	250	b) <i>Second Conference</i> . . .	257
IV. <i>Technical Organisations.</i> . .	250	2. <i>Armenian Refugees</i> . . . .	259
1. <i>The Health Organisation.</i> .	250	IX. <i>Publications of the League of</i>	
<i>Interchange of Health Sta-</i>		<i>Nations.</i> . . . . .	259
<i>tisticians</i> . . . . .	250	1. <i>Memorandum on Currency.</i>	259
2. <i>The Economic and Finan-</i>		2. <i>Memorandum on Central</i>	
<i>cial Organisation</i> . . . . .	250	<i>Banks</i> . . . . .	260

Communications concerning the *Monthly Summary* should be addressed to the Information Section, League of Nations, Geneva.

### I. — Summary of the Month.

The activity of the League of Nations in November centred in the international Opium Conferences convened by the Council. These two Conferences, for the gradual suppression of opium-smoking and the limitation of the production and manufacture of narcotics, opened on November 3rd and 17th respectively and were still in session at the end of the month. Plenary sessions of the Permanent Advisory Commission for Military, Naval and Air Questions, the Permanent Mandates Commission and the Committee on Communications and Transit also took place during the month.

The Permanent Advisory Commission for Military, Naval and Air Questions met from November 12th to 14th, when it considered questions in connection with the Council's right of investigation with regard to German, Austrian, Bulgarian



and Hungarian armaments, and nominated six of its members to serve on the newly constituted Co-ordination Commission.

After a series of sub-committee meetings, which began on November 19th, the Committee on Communications and Transit met in plenary session on the 26th. One of the most important questions before the Committee concerned a dispute with regard to the jurisdiction of the International Oder Commission. Other items on the agenda were the reform of the calendar, tonnage measurement in inland navigation, the safety of the seas and transport by rail.

The Permanent Mandates Commission completed its examination of the annual reports of the Mandatory Powers.

The Enquiry Commission on the Iraq Frontier met at Geneva, whence it proceeded to London and Angora in order to confer with the British and Turkish Governments on its way to Iraq.

An international conference of health statisticians took place from October 20th to November 8th under the auspices of the League Health Organisation, the main object of this meeting being the standardisation of notifiable disease statistics.

## II. — Reduction of Armaments and Military Control.

### 1. — PREPARATION OF THE CONFERENCE FOR THE REDUCTION OF ARMAMENTS

The British Government has informed the Secretary-General that, owing to its very recent accession to office it will not be able for some time to form a considered opinion on the terms of the Protocol for the Pacific Settlement of International Disputes drawn up by the Fifth Assembly. For the same reason it will not be able to furnish proper instructions to its representative on the Council with regard to the preparatory work for the conference on the Reduction of Armaments, which the Council proposed to undertake at its December session.

The British Government has therefore requested that this item of the Council agenda should be postponed to a later session, when the Government will have been able to give it the close attention which its great importance necessitates.

The Secretary-General has communicated this request to the other Members of the Council.

### 2. — SIXTEENTH SESSION OF THE PERMANENT ADVISORY COMMISSION FOR MILITARY, NAVAL AND AIR QUESTIONS

The Permanent Advisory Commission, with Admiral Souza e Silva (Brazil) in the Chair, met from November 12th to 14th at Geneva in order to examine certain questions connected with the plan adopted by the Council last September, for the organisation of the exercise of its right of investigation <sup>(1)</sup>, and also to nominate those of its members who will serve on the Co-ordination Commission <sup>(2)</sup>.

#### a) *Right of Investigation.*

The organisation scheme confers on States not represented on the Council, bordering on a State which, by one of the Peace Treaties, has given to the former an undertaking to submit to investigation, the right to be represented on the Permanent Advisory Commission when a question concerning such an investigation is under discussion.

The Permanent Advisory Commission was of opinion that the names of these representatives, who would be called upon to sit as temporary members, should be made known in advance, and recommended that the Council should invite the States concerned to communicate the names of their representatives.

The organisation scheme also provides that the preliminary list of experts from which the Council will appoint the members of the Investigation Commission shall be drawn up by the Permanent Advisory Commission. With this end in view the Permanent Advisory Commission drew up tables showing the various categories of military and civil experts and the number of experts required in each category. The Commission did not draw up a general nominal list as it considered it a matter for each Government to establish and keep up to date the list of available experts. When the Commissions of Investigation are constituted, the Governments concerned will communicate to the Council the names of the experts required.

*b) Appointment of Members of the Permanent Advisory Commission  
to serve on the Co-ordination Commission.*

The Permanent Advisory Commission appointed the following of its members representing its Military, Naval and Air Sub-Committees, to serve on the Co-ordination Commission : the military representatives of France and Italy, with the Czechoslovak military representative as substitute; the naval representatives of Great Britain and Japan, with the Swedish naval representative as substitute; and the air representatives of Brazil and Spain, with the Belgian air representative as substitute.

### III. — General Questions.

#### 1. — INTERNATIONAL AGREEMENTS

*a) Registration of Treaties and International Agreements.*

Among the treaties and international agreements deposited for registration in November figure :

An agreement between Germany and the Saar Territory concerning the application to the latter of the procedure of compensation for the settlement of pre-war debts. This agreement was presented by the Saar Governing Commission;

An exchange of notes between Belgium and Hungary, presented by the Hungarian Government, concerning most favoured nation treatment as regards the importation, exportation and transit of goods;

A Convention of the Universal Postal Union signed at Buenos Ayres in 1921 by the Argentine Republic, Bolivia, Brazil, Colombie, Costa-Rica, Cuba, Chile, the Dominican Republic, Ecuador, the United States, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay and Venezuela, presented by the Spanish Government;

A Convention concluded by Czechoslovakia and the Serb-Croat-Slovene Kingdom on the juridical relations between these States, presented by Czechoslovakia;

An exchange of notes between Germany and Greece, concerning the protection of commercial and industrial trade-marks, presented by Greece;

An arrangement prolonging the Arbitration Convention of May 5th, 1908, between Japan and the United States, presented by Japan,

An agreement on postal relations between Denmark, Norway and Sweden, presented by Denmark.

b) *International Conventions, Adhesions and Ratifications.*

The German Government has ratified the Protocol relating to arbitration clauses in commercial contracts (Geneva, September 24th, 1923).

The Egyptian Government has adhered to the International Convention for the Suppression of the Traffic in Obscene Publications (Geneva, September 12th, 1923).

c) *Protocol for the Pacific Settlement of International Disputes : -  
Adhesions and Ratifications.*

The Uruguayan Representative on the Council has informed the Secretary-General that his Government has authorised him to sign the Protocol for the Pacific Settlement of International Disputes.

## IV. — Technical Organisations.

### 1. — THE HEALTH ORGANISATION

#### *Interchange of Health Statisticians.*

A meeting of health statisticians from Bulgaria, Cuba, Czechoslovakia, Esthonia, Hungary, Roumania, Russia and the Kingdom of the Serbs, Croats and Slovenes took place at Geneva from October 20th to November 8th. This meeting was the first stage of a four weeks' programme including a study on the spot of the methods of collecting and classifying statistics of notifiable diseases in Switzerland, France and Holland, an exchange of information with regard to the methods employed in the countries of the participants and a series of lectures on the work of the Epidemiological Intelligence Service of the League Health Section in collating and distributing such data.

The object of the interchanges organised by the Health Section is to bring together health statisticians from various countries in order to enable them to study the methods in vogue in other countries than their own, and to work out methods of co-operating with one another and with the League Health Section, so that the data they compile may as far as possible be rendered mutually comparable.

### 2. — THE ECONOMIC AND FINANCIAL ORGANISATION

#### *The Financial Reconstruction of Hungary.*

(Information from the Commissioner-General's Office.)

*The State Railways.* — The Commissioner General's report for October, besides the usual review of the financial situation, contains an analysis of the budget of the Hungarian State Railways and of their returns for the first quarter of the fiscal year beginning 1st July, 1924.

The budget provides for operating expenses amounting to 97% of the gross receipts, a state of affairs brought about chiefly by the very heavy charges represented by pensions of personnel formerly employed on territory which has ceased to be Hungarian (60% of the pre-war system). Pension charges now amount to 30 million gold crowns a year, or 16.7% of the operating expenses, whereas before the war they were between 3 and 4%. If pensions were now in the same proportion to total expenses as they were before the war, the railways would be operating for

84% of the gross receipts. The average European ratio, which must be reached in Hungary before the railways are able to provide for their own capital expenditure, may be stated at 80%. The personnel employed by the railways averages 8.4 men per kilometre, a rate which is not greatly in excess of that found on other systems, allowances being made for circumstances, but which it ought to be possible to reduce. Rates cannot be further increased without danger to the traffic. Some relief may come through a decrease in coal prices, but there can be no marked general improvement in the present position without such an increase in traffic as can only be brought about by commercial prosperity and livelier exchanges between Hungary and her neighbours.

The railway system is in fair condition, but its problems can only be solved over a long period of years by unremitting efforts to decrease expenses, increase receipts, and keep new capital expenditure down to the lowest point consistent with economy in operation.

*General situation.* — The late autumn, when the crops are being moved, is normally a season when Hungarian revenue comes in at a higher rate than at other times of the year. During the last few months receipts have been swelled to an unexpected extent by the customs, and the turnover tax has also produced very large sums. One result of this is that the Treasury position is better than might have been expected at this stage of the work of reconstruction, since receipts have been higher than the expenses provided for this period in the budgets forming part of the Reconstruction Law. Expenses, however, are also on a higher level than that contemplated in the Reconstruction Law, and the position today cannot authorise any further permanent increases in expenditure, a fact appreciated by the Government.

The removal of import prohibitions has coincided with the introduction of a high protective tariff, untempered as yet by the commercial agreements which it is hoped will be negotiated with foreign States. The new duties are for the most part greatly in excess of the old, and stocks are now being accumulated at a cost which means either that the prices of manufactured articles, which are on the whole more expensive in Hungary than in the neighbouring countries and in some cases as expensive as anywhere in the world, will be kept up while the stocks are being sold, or, assuming that a drop in prices takes place, that merchants who have laid in the stocks will suffer heavy loss.

The persistence of the present high prices can only retard the return to a normal state of affairs towards which certain indications show that there is a tendency. The fact that there has been a change in the public's attitude towards money brought about by stabilisation is illustrated by the reappearance of savings deposits and current accounts, which on June 30th, 1924, amounted in a number of the chief Budapest banks to 4.8% of the total reached on December 31st, 1913, whilst on October 31st they had risen to 14.3%. The increase has taken place chiefly, as might be expected, in current accounts; saving deposits are also growing, though much more slowly.

### 3. — COMMUNICATIONS AND TRANSIT

#### *Seventh plenary Session of the Advisory Committee.*

The Advisory Committee on Communications and Transit held its seventh plenary session from November 26th to 28th at Geneva. Mr. Baldwin (Great Britain) was in the Chair. The other members present were: M. Agüero y Bethancourt (Cuba), M. Winiarski (Poland), M. Amunátegui (Chile), M. Brockman y Abarzuza (Spain), M. Dobkevicius (Lithuania), M. Dreyfus (France), M. Guerrero (Salvador), M. Ouang-Hang (China), M. Politis (Greece), M. Sinigaglia (Italy),

M. Smith (Norway), M. Stievenard (Belgium), M. Usami (Japan), M. Reinhardt (Austria), M. Hostie, Secretary-General of the Central Commission for Rhine Navigation and M. von Renthe Fink, Secretary-General of the International Elbe Commission.

On the agenda of the meeting figured, among other questions, two of a certain political importance, namely, disputes concerning the jurisdiction of the International Oder Commission and the European Danube Commission. The Committee was unable for various reasons to examine the latter question. The dispute with regard to the jurisdiction of the Oder Commission gave rise to protracted debates in which the members of the Committee, M. Seeliger and M. Peters, representing the German Government, and M. Veverka and M. Krbec, representing the Czechoslovak Government, took part. The Committee finally passed a resolution recommending a compromise to the Governments represented on the Oder Commission.

The Committee also examined reports presented by its sub-committees and technical committees. Meetings of several of these bodies, among others the committee of Experts on Tonnage Measurement in Inland Navigation and the special Committee on Road Traffic, preceded the plenary session of the Committee.

### *Jurisdiction of the International Oder Commission*

The dispute in connection with the jurisdiction of the International Oder Commission arose within the Commission itself and concerns the interpretation of Articles 331 (Definition of the internationalised system of waterways), 338 (Substitution of a definition given in a General Convention of the League of Nations for that stipulated in the Peace Treaty), and 341 (Territorial jurisdiction of the Oder Commission) of the Treaty of Versailles.

The question at issue is whether the navigable sections of the Polish course of the Oder tributaries (the Netze and the Warthe) should be subject to the jurisdiction of the Oder Commission. The Polish Government considers that the jurisdiction of the Commission should cease at the Polish frontier; other governments are of the opinion that all the navigable sections of the basin should be subject to international control.

The French and the British Governments, under Article 376 of the Treaty of Versailles, had asked the Committee on Communications and Transit to intervene with a view to conciliating the parties. The Committee thereupon appointed an Enquiry Commission composed of M. Hostie (President), General Mance (British) and M. Babinski (Polish). The Enquiry Commission was unable to present a unanimous report, as the Polish member was not in agreement with the views of his colleagues.

In these circumstances, the question came once more before the Committee on Communications and Transit, which adopted a resolution submitted by a joint committee, formed by the Sub-Committee for Inland Navigation and the Legal Sub-Committee. The resolution recommends an agreement on the following basis :

(1) The jurisdiction of the International Oder Commission to extend up the Warthe to a point situated beyond Posen and up the Netze as far as Ujscie (Usch).

(2) The section of the Netze, from the point where the jurisdiction of the Oder Commission would cease to its junction with the Vistula, via the Bydgoszcz canal to be governed by the provisions of the Barcelona Convention on Navigable Waterways of International Concern.

The resolution was adopted by 13 votes to 2 (Germany and Poland) with one abstention. The German representative stated that in his opinion the effect of the resolution would be to exempt from the jurisdiction of the Commission certain navigable sections of the basin. The Polish representative declared that, in his opinion, the jurisdiction of the Oder Commission should, on legal grounds, not extend further up the Netze and the Warthe than the Polish frontier. If,

however, his Government, in order to facilitate a compromise, decided not to maintain a purely juridical point of view he would recommend the proposed solution.

The resolution will be forwarded to the Governments represented on the Oder Commission as forming an eventual basis for the friendly settlement of the dispute.

*The Danube regime.* — The British Government had brought before the Committee on Communications and Transit a dispute which had arisen between the British, French and Italian Governments on the one hand, and the Roumanian Government on the other, concerning the application to the limits of the jurisdiction of the European Danube Commission of Articles 346, 348 and 349 of the Treaty of Versailles. The question at issue concerns the scope and exact limit of the jurisdiction of the Commission with regard to the Galatz-Braila section of the Danube.

The Committee, for various reasons, among others the absence of its Roumanian member, decided to adjourn the discussion of the question, and authorised its Chairman, if the necessity arose, to appoint a Special Enquiry Commission before its next session

*Passports.* — The attention of the Committee had been drawn to the question of passport formalities as an obstacle to international communications and also to the question of passports for emigrants, which had been raised at the Rome Emigration Conference.

The Committee decided to refer to a special sub-committee the examination of the question as a whole.

It may be recalled that in 1920 a Conference was summoned to examine from a practical point of view the means of eliminating as far as possible the various disadvantages connected with the passport system. As the measures proposed by the Conference were only partially adopted by the various States, the special sub-committee will endeavour to establish exactly what results have been obtained and will consider whether a second conference should be summoned.

The Sub-Committee for Transport by Rail was requested to collect information on train delays caused by passport formalities.

*Definition of Vessels.* — In all international regulations on navigation—regulations concerning labour, safety, private law, etc.,—a distinction is made between vessels used in maritime navigation and inland navigation. This distinction is not invariably easy to establish as certain vessels used in both inland and maritime navigation may be said to belong to both categories. The Committee was of opinion that this question should be examined, as a whole and in its international bearing, with a view to establishing certain criteria for the definition of vessels, and decided to refer the investigation to a committee of jurists and experts in maritime and inland navigation.

*Unification of Tonnage measurement in inland navigation.* — A special Committee of experts on tonnage questions met from November 20th to 22nd to examine the possibility of unifying the methods of tonnage measurement in inland navigation. The Committee, which was composed of M. Bouckaert (Belgian), Chairman, M. Bedreag (Roumanian), M. Bourgeois (French), M. Opperman (German) and M. Vysockis (Lithuanian), drew up a scheme which will be examined by the Sub-Committee for Inland Navigation and may eventually provide a basis of discussion for a conference. The draft scheme is based on the Brussels Convention of 1898, on tonnage measurement in inland navigation, concluded by Belgium, France, Holland and certain German States, amended in accordance with the suggestions of the Central Commission for Rhine Navigation. The scheme does not deal with the registration of vessels.

## 4. — INTELLECTUAL CO-OPERATION

*Appeal on behalf of the Hungarian Intellectual Workers.*

The chairman of the Committee on Intellectual Co-operation, M. Henry Bergson, has addressed to universities, academies and learned bodies of all countries an appeal on behalf of the intellectual workers of Hungary. By so doing, the Committee on Intellectual Co-operation has complied with a recommendation of the Fifth Assembly to the effect that an appeal—similar to that made in 1922 on behalf of the Austrian intellectual workers—should now be made on behalf of the intellectual workers of Hungary.

In his appeal, M. Bergson points out that the Hungarian State revenues have to be devoted entirely to reconstruction work, that the universities and learned bodies are thus deprived of their resources and that the intellectual life of the country is threatened. He therefore calls upon universities and learned bodies in other countries to send their publications to Hungarian institutions of the same standing and to organise with these bodies exchanges of publications, professors, lecturers and students. M. Bergson also appeals for gifts in order to enable the Hungarian research institutes to buy the necessary instruments and material.

## V. — Administrative Questions.

## 1. — DANZIG

*Decisions of the High Commissioner.*

During the period which has elapsed since the Fifth Assembly, the High Commissioner of the League in Danzig gave a certain number of decisions on differences between the Polish and Danzig Governments, which were submitted to him in accordance with the procedure laid down in the treaties. With one exception, appeals have been made by one or both of the Governments concerned against all these decisions, several of which have been placed on the provisional agenda of the December session of the Council. The decisions concern the following main points :

*Principles to be applied in the conclusion of Danzig-Polish agreements.* — This question arose out of the refusal of the Polish Government to ratify a Polish-Danzig agreement of July, 1922, concerning certain railway questions. The Polish Government *confirmed* the agreement, but the Danzig Senate claimed that *ratification* was necessary. The High Commissioner, after examining carefully the relations between Poland and Danzig, decided that, in the conclusion of agreements between two countries both parties should be governed by, and apply, the following principles :

(1) The Polish-Danzig relations are inter-State relations,<sup>1</sup> but are of so special a kind as not to admit of the normal international procedure, whatever it may be, being necessarily of application to them.

(2) On account of these relations, the number and kind of agreements or treaties which are made between Poland and Danzig are in excess of and of a different nature to the agreements which are usually made between States.

(3) The procedure for putting these agreements into force in Poland is primarily the concern of the Polish Governments provided the procedure is such as to guarantee the Free City that agreements are legally valid according to Polish law.

(4) Danzig is a State in the international sense of the word and is entitled to the use of expressions denoting that fact.

(5) A distinct undertaking to ratify the agreement under notice having been given, that undertaking must be put into effect.

*Appointment of Danzig Consular Attachés to Polish Consulates* <sup>(1)</sup>. — In the Polish-Danzig Treaty of November 9th, 1920, it was agreed that, in foreign towns where Danzig had important economic interests, one or more Danzig nationals should be included in the staff of the Polish consulates. The High Commissioner decided that the Polish Government could not refuse to pay for the appointment of such consular attachés, that Danzig must produce evidence to show that important economic interests did actually exist in any given case, and that in the event of a difference of opinion the matter should be submitted to arbitration.

*Participation of Danzig in the Stockholm Postal Congress*. — This difference arose out of the position of Danzig nationals who attended the Congress as a part of the Danzig delegation, but who were subsequently withdrawn by the Danzig Government. The High Commissioner decided that the Free City was entitled to send delegates to this congress, that they should have been given an opportunity to take part in discussions on economic subjects, that the adherence by Danzig to any of the agreements entered into at the Congress could not be effected after the Free City had withdrawn its representatives, that the head of the Polish delegation is the head of the Danzig delegation at international congresses, and that communications from the Danzig representatives to such a congress must be made through, or with the consent of the head of the delegation.

Other decisions concern the Harbour Board Police, the transfer of certain property of the former Prussian Vistula Administration, the transformation of former German corporations and the acquisition and ownership of a steamferry between the island of Holm and the mainland.

## 2. — FIFTH SESSION OF THE PERMANENT MANDATES COMMISSION

The Permanent Mandates Commission met from October 23rd to November 6th at Geneva to complete its examination of the annual reports of the Mandatory Powers <sup>(2)</sup>.

During this session, the Commission had before it reports on the British Cameroons, New Guinea and Nauru, Western Samoa, islands in the Pacific under Japanese Mandate, British Togoland, Palestine, and Syria and Lebanon. These reports were examined in the presence of accredited representatives of the Mandatories, namely :

Mr. G. J. F. Tomlinson, Assistant Secretary for Native Affairs in Nigeria (Report on the British Cameroons); Sir Joseph Cook, Australian High Commissioner in London (Report on New Guinea and Nauru); Sir James Allen, High Commissioner for New Zealand in London (Report on Western Samoa); Mr. Sugimura, Councillor to the Japanese Embassy in Paris (Report on Islands under Japanese Mandate); Mr. Newlands, Deputy Provincial Commissioner of the Administration of the Gold Coast (Report on British Togoland).

The first report of the British Government on the administration of Palestine and that of the French Government on the administration of Syria and Lebanon were examined respectively in the presence of Sir Herbert Samuel, High Commissioner of the British Government in Palestine, and M. Robert de Caix, former Secretary-General of the French High Commissariat in Syria and Lebanon. These mandates only came into force on September 23rd, 1923.

Sir Herbert Samuel, in an oral statement to the Commission on the general situation in Palestine, recalled the difficulties encountered by the British Government when endeavouring to establish in Palestine advisory and representative institutions. He also furnished explanations with regard to the question of the

(1) This question was subsequently withdrawn from the agenda, agreement having been reached by the Parties.

(2) See *Monthly Summary*, Vol. IV, No. 10, p. 236.



establishment of a Jewish National Home as contemplated by the Palestine Mandate. In this connection the Commission expressed the wish that the Jewish immigration should remain in proportion to the capacity of the economic absorption of the country. It further requested that in future a detailed report should be forthcoming with regard to Transjordan. This territory, although under separate administration, is nevertheless under British Mandate.

The Commission took note of various petitions relating to Syria, Lebanon and Palestine transmitted through the intermediary of the Mandatories or by the petitioners themselves. In this connection, the Commission pointed out that its task was confined to supervising the execution of the Mandate in the terms prescribed by the Council, and that it was not competent to discuss the question, raised by certain petitioners, whether the terms of a Mandate were in conformity with the letter and the spirit of Article XXII of the Covenant.

With regard to reports on territories in Africa and in the Southern Pacific, the Commission discussed the respective advantages of direct administration, as well as the possibility of combining the respect of the local customs with the efforts of the Mandatories to promote the civilisation of the native populations.

As regards the public health administration of certain mandated territories, the Commission considered the possibility of increasing the number of doctors in those areas.

At its July session the Commission had expressed the wish that officials taking an effective part in the administration of mandated territories might present in person the annual reports of the Mandatories. At its October session the Commission tendered its thanks to the Governments for their response to its request and emphasised the great advantage of being assisted in the careful examination of the annual reports of Mandatory Powers by administrators with special knowledge of the questions to be dealt with.

After terminating its examination of the reports, the Commission discussed various general questions in connection with the application of Article 22 of the Covenant, in particular, the question of loans and advances to mandated territories and that of the eventual modification of the questionnaires addressed yearly to the mandated Powers.

## VI. — Protection of Minorities.

### EXCHANGE OF GREEK AND TURKISH POPULATIONS

The Chairman of the Mixed Commission for the Exchange of Greek and Turkish Populations, General de Lara, has informed the Secretary-General that the Commission, on November 16th, decided to ask the Council to lend its good offices to obtain the advisory opinion of the Permanent Court of International Justice on the dispute which has arisen with regard to the interpretation of Article 2 of the Greco-Turkish Convention on the compulsory exchange of populations. The dispute bears on the meaning of the word "established" and has already given rise to incidents which were brought to the notice of the Council at its extraordinary session in Brussels (1).

The question has been placed on the agenda of the thirty-second session of the Council.

## VII. — Political Questions.

### THE IRAQ FRONTIER

The Enquiry Commission appointed by the Council to study the question of the frontier between Turkey and Iraq met at Geneva on November 17th <sup>(1)</sup> when, after noting the information furnished by the League Secretariat, it decided to proceed to Iraq in order to pursue its investigation on the spot. The Commission suggested that the British and Turkish Governments should each accredit to it an assessor.

The Commission, which has left for London and Angora, in order to confer with the British and Turkish Governments, is composed of M. de Wirsén (Chairman), Swedish Minister Plenipotentiary; Count Teleki, former Hungarian Prime Minister; and Colonel Paulis, a retired officer of the Belgian Army.

## VIII. — Social and Humanitarian Questions.

### 1. — TRAFFIC IN OPIUM

Two international conferences convened by the Council to study certain questions relating to the production and consumption of opium and narcotics, were held at Geneva during November

#### a) *First Conference.*

The first Conference, for the gradual suppression of the use of prepared opium, held its opening meeting on November 3rd, 1924. Mr. van Wettum (Netherlands) was elected Chairman and Prince Charoon (Siam) Vice-Chairman.

The following countries were represented : British Empire, China, France, India, Japan, Netherlands, Portugal, Siam.

The Conference, which met in public, heard statements made by the various representatives on the conditions and legislation with regard to opium in the Far Eastern territories under the jurisdiction of their Governments. A Committee was appointed, consisting of the representatives of the British Empire, France, Holland and Japan, to draw up a draft agreement on the most effective measures of hastening the total suppression of the opium-smoking habit.

The Committee's report was submitted to the Conference on November 13th. As complete agreement on all the points at issue had not been reached by November 17th, the date when the Second Opium Conference was due to meet, the final approval of the draft agreement was postponed for a couple of weeks. This arrangement had the further advantage of allowing the representatives to communicate with their Governments on outstanding questions.

A full account of the results of the first Conference will be given in the next number of the *Monthly Summary*.

#### b) *Second Conference.*

The second Conference, for the limitation of the export production of raw opium and coca leaves and of the manufacture of morphine, heroin and cocaine

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(1) See *Monthly Summary*, Vol. IV, No 10, p. 239

to the quantities required for medical and scientific purposes, met on November 17th. M. Herluf Zahle, Danish Minister in Berlin, was in the Chair.

All members of the League, all States parties to the Hague Opium Convention of 1912, and all countries producing or manufacturing narcotics, had been invited to send representatives to the Conference. Thirty-seven States : Albania, Australia, Belgium, Bolivia, Canada, China, Cuba, Czechoslovakia, Danzig, Denmark, Dominican Republic, Finland, France, Germany, Great Britain, Greece, Hungary, India, Irish Free State, Italy, Japan, Luxemburg, Netherlands, Nicaragua, Persia, Poland, Portugal, Roumania, Serb-Croat-Slovene Kingdom, Siam, Spain, Sweden, Switzerland, Turkey, United States, Uruguay and Venezuela were represented. The Russian Government, which had also been invited, declined to take part in the Conference.

At the opening meeting the Deputy Secretary-General welcomed the delegates on behalf of the Council. The Chairman of the Conference, M. Zahle, then made a speech in which he briefly resumed the steps taken to combat the drug evil since 1906, the date of the foundation, on the initiative of the United States, of the International Shanghai Commission for the Suppression of Opium Smoking. After referring to the work of the Hague Conferences and the Hague Opium Convention, M. Zahle described the work of the League Opium Committee and showed how, since the coming into force of the Covenant, the anti-drug campaign had entered a new phase.

In conclusion, M. Zahle appealed to the co-operation of all States to protect future generations against a danger which had increased of late years. National measures, he said, were not sufficient for the suppression of the very dangerous drug trade, a problem which called for an international solution. The restrictions, M. Zahle said, called for considerable self sacrifice on the part of the producers.

The Conference elected its Vice-Chairman, M. Aguero y Bethancourt (Cuba) and Dr. Sze (China), and constituted its committees. It appointed in the first place a Business Committee of eleven members, which together with the Chairman and Vice-Chairmen of the Conference, will examine all questions referred to it by the Conference. The Business Committee will further examine communications from private organisations and individuals, and will report on them to the Conference. It will also submit to the Conference proposals with regard to its work. The Conference also set up two General Committees on which all delegations may be represented. M. Zahle, Chairman of the Conference, will preside at the meetings of the General Committees.

The first of these committees will deal with questions relating to the limitation of the manufacture of narcotics to the quantities required for medicinal and scientific purposes and with all schemes put forward for the limitation of the export production of opium and coca leaves.

The second General Committee will examine general proposals regarding the amendments to the Hague Convention formulated by the Advisory Committee on Traffic in Opium, or by any of the delegations.

The two General Committees set up six special sub-committees to study, from the points of view of producers and consumers, all suggestions for the limitation of the manufacture or production of narcotics and raw stuffs for export purposes, as well as all suggestions relating to the supervision of the international drug trade, in particular as regards importation, exportation and trans-shipment. One of these sub-committees, which is composed solely of medical, pharmaceutical and statistical experts, will study the report of the League Health Committee on medical requirements in narcotics and other information or documents collected by the Preparatory Committee.

At the general debate, the American, Belgian, Bolivian, Brazilian, British, Canadian, Chinese, Czechoslovak, Dominican, Egyptian, French, German, Greek, Indian, Irish, Japanese, Luxemburg, Persian, Polish, Roumanian, Turkish and

Venezuelan delegations made declarations of principle. The American delegation tabled a memorandum containing definite proposals.

Before beginning its work, the Conference heard representatives of private anti-drug organisations, namely, Mr. Alexander, of the Society of Friends, Mgr. Beaupin, of the Catholic Students' Union, Rev. Dukes, representing the Society for the Suppression of the Opium Traffic of Great Britain, Mr. T. Z. Koo, representing the National Anti-Opium Association of China, Mr. Kenneth MacLennan, representing the Conference of Missionary Societies, Mrs. Moorhead, representing the Foreign Policy Association of the United States, Mrs. Sturgess, representing the American Red Cross, and Mr. Warnhuis, representing the International Missionary Council.

The Conference decided to hold its plenary, committee and sub-committee meetings in public, unless a decision to the contrary should be taken.

A full account of the Conference will be contained in the December number of the *Monthly Summary*.

## 2. — ARMENIAN REFUGEES

*Certificates of Identity.* — At its meeting in June, 1924, the Council decided to invite Members of the League and other interested States to consider the question of adopting for Armenian refugees an identity certificate similar to that delivered to Russian refugees (1).

Two countries, France and Switzerland, have definitely adopted the certificate. In France, the system of certificates of identity came into force on August 31st; in Switzerland, the system will be applied as from January 1st, 1925.

Albania, Austria, Bulgaria, Czechoslovakia, Esthonia, Great Britain, Greece, India, Italy, Japan, Latvia, Liberia, New-Zealand, Norway, Serb-Croat-Slovene Kingdom, South Africa, Siam and Sweden have agreed to the principle of identity certificates for Armenian refugees.

# IX. — Publications of the League of Nations.

## 1. — MEMORANDUM ON CURRENCY

In continuation of the study of the monetary position of the various countries begun in preparation for the Brussels Financial Conference in 1920, the Secretariat has published two new Memoranda on Currency and on Central Banks covering the period 1913-1923.

Like its predecessors the *Memorandum on Currency* extends over the whole field of the currency question. It contains elaborate statistical records on price movements, exchange fluctuations, note circulation, deposits, clearings, discount rates, gold movements and reserves, etc. for practically all countries for which any such information is available. The comparative summary tables are accompanied by explanatory notes giving details on the currency systems and recent currency history of different countries, etc. Special attention has been paid to the recent currency reforms initiated in a number of European and certain extra-European countries. A new feature of this volume is a section on index numbers which explains in full detail the manner in which the index numbers of wholesale prices are compiled.

(1) See *Monthly Summary*, Vol. IV, No 6, p. 122.

## 2. — MEMORANDUM ON CENTRAL BANKS

*The Memorandum on Central Banks* forms in many respects a complement to that on currency. It covers all banks of issue or similar organisations in thirty-six countries publishing regular balance sheets in 1923. It has been confined on the main to a comparative analysis of these balance sheets, but at the same time certain aspects of the currency question are examined in fuller detail than in the currency memorandum. It consists of a general introduction reviewing the recent development of the position of the various central banks, and of a special chapter on each bank. For the purpose of comparison, the individual balance-sheets have as far as possible been rearranged according to a common standard form, the details of the assets and liabilities and the principal legal dispositions governing the operations of the banks being explained in a series of carefully compiled notes. Apart from a preliminary study issued by the League in 1922, this is, it is believed, the first more complete publication of its kind and, it is hoped, will prove especially useful as a book of reference.

Special attention is drawn in the introduction to the composition of the metallic and foreign exchange reserves held by the various banks and to the actual credit relations between these institutions and their respective Governments. The former question is of particular importance on account of the tendency in recent years to substitute interests-bearing foreign assets for gold. The credit relations between the Governments and the Banks of Issue have necessarily had a decisive influence upon the position of the various currencies.

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THE  
MONTHLY SUMMARY  
OF THE  
LEAGUE OF NATIONS  
SUPPLEMENT

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November 1924.

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THE SETTLEMENT  
OF GREEK REFUGEES

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# ERRATUM AND ADDENDUM

TO THE

SUPPLEMENT of the MONTHLY SUMMARY of the LEAGUE of NATIONS

ON THE

## SETTLEMENT OF GREEK REFUGEES

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1° Page 5. — Heading III. — The beginning of the second paragraph should read as follows :

"As will be seen from Document XII, the property so transferred, and to be transferred to (\*) and held with a clean title by the Refugee Settlement Commission", etc...

2° A note should be added at the bottom of the page as follows :

(\*) The position as to the delivery of land is as follows : In accordance with the terms of the Protocol of Geneva, the Hellenic Government have already transferred to the Refugee Settlement Commission all the cultivable lands left in Greece by Musulmans who have departed from Greece under the Lausanne Convention for the exchange of populations between Greece and Turkey. After deducting from this area such portions as are not available for various reasons for the settlement of refugees, it is estimated that at least 220,000 hectares of cultivable land will remain on which refugees can be established. In addition, the area of the lands already requisitioned with a view to expropriation, and the physical possession of which has already been given to the Commission with an undertaking on the part of the Hellenic Government that the lands will be formally transferred later to the Commission, amounts to approximately 40,000 hectares. In addition to these areas 25 000 hectares of lands belonging to the Greek State have been formally transferred to the Commission. The total of these areas is 285,000 hectares. Refugees are, in fact, occupying this area of land. The application of the new Agrarian Law throughout Greece places the Hellenic Government in a position to obtain and transfer to the Commission the 215,000 hectares necessary to make up the half million hectares which, under the Protocol of Geneva, they have undertaken to provide for the purposes of the Commission Arrangements to secure and transfer to the Commission this balance of 215,000 hectares are actively in progress.

The statements and amounts mentioned under heading III above and in Document XII should be read subject to the fuller statement contained in this note.



# MONTHLY SUMMARY OF THE LEAGUE OF NATIONS

## SUPPLEMENT

November 1924.

### THE SETTLEMENT OF GREEK REFUGEES

#### TABLE OF CONTENTS

	Pages		Pages
<i>Preface by Sir Arthur Salter.</i> . . . .	I	VIII. <i>Resolutions adopted by the Council and the Fifth Assembly of the League of Nations (September 1924).</i> . . . .	25
I. <i>Extracts from a Report by Dr. Nansen, November 18th, 1922.</i> . . . .	6	IX. <i>Protocol and Statutes relating to the settlement of refugees in Greece, signed at Geneva on September 29th, 1923, and amended by additional act on September 19th, 1924.</i> . . . .	26
II. <i>Resolution adopted by the Council of the League of Nations, April 23rd, 1923.</i> . . . .	8	X. <i>Declarations signed by three Governments concerning the International Financial Commission at Athens (1923 and 1924).</i> . . . .	31
III. <i>Extracts from the Report of the Financial Committee, June 25th, 1923.</i> . . . .	8	XI. <i>Memorandum addressed by M. Tsouderos, Greek Minister for Finance, to the Financial Committee relating to revenues assigned to the refugees loan (September 18th, 1924).</i> . . . .	31
IV. <i>Letter from the Greek Minister in London to the Secretary-General, August 16th, 1923.</i> . . . .	11	XII. <i>Declaration by Mr. Morgenthau and Mr. Campbell, September 11th 1924.</i> . . . .	37
V. <i>Extract from the Minutes of the Twenty-sixth Session of the Council of the League of Nations, September 29th, 1923.</i> . . . .	12		
VI. <i>Report of the Refugee Settlement Commission (August 25th, 1924).</i> . . . .	14		
VII. <i>Report of the Financial Committee on the proposed amendments to the Protocol and the Statute (September 12th, 1924).</i> . . . .	20		

#### Preface

##### I. EVENTS FROM 1922 TO JULY 1923.

The late Greco-Turkish War involved a very considerable displacement of population. The Treaty of Lausanne requires members of the Greek Orthodox Church established in Turkey to emigrate to Greece, and Moslems established in Greece to emigrate to Turkey. This provision of the Treaty had already, however, been anticipated by the flight of a large proportion of the persons concerned. During the retreat of the Greek Army and the capture of Smyrna and the rest of Asia Minor by the Turkish troops in the latter part of 1922, hundreds of thousands—and ultimately more than a million—of inhabitants of these regions left their homes and fled to the coast. Some of them reached Greece by their own efforts; others were collected in concentration camps and transported later to Greece with the assistance of Dr. Nansen, acting on behalf of the League. Those who remained have since been, or are now in the course of being, transported under the arrangements made by the Mixed Exchange Commission set up by the Treaty of Lausanne.

The total number of refugees so added to the population of Greece amounts to some million and a-half. About 200,000 or 300,000 of this number were possessed of some means, and a considerable proportion of the others have claims in respect of the property left behind in Asia Minor. The great bulk, however, amounting certainly to over a million, came practically destitute and in urgent need of assistance; and most of these found their way into Greece in 1922 or early in 1923, before the regular machinery of the Mixed Commission was in operation.

In the first months the situation of the refugees was appalling (see Document I). Emergency assistance had to be improvised as best it could by the Greek Government, assisted by the invaluable work of American and British charitable societies, particularly the American Red Cross, the Near East Relief and the All-British Appeal. The refugees on the islands were chiefly fed through the agency of Dr Nansen.

In this way the immediate distress was relieved, and many hundreds of thousands of lives saved; but relief of this kind was obviously only a temporary measure and could give no permanent solution. As early as the autumn of 1922, representatives of the League, Colonel PROCTER and Colonel TRELOAR, made attempts to establish some of the refugees on a self-supporting basis. By the middle of 1923, some 15,000 had been established in a colony of fifteen villages.

This experiment demonstrated the practicability of settlement, and showed that the refugees were good material and capable of supporting themselves if once given a reasonable start (1).

It was, however, evident that private relief organisations could not be expected to provide the sums necessary for the definite settlement of all suitable refugees in productive work. Nor could the Greek Government hope to accomplish such an immense task without the assistance of an external loan. The refugees numbered more than 20 per cent of the total population; and the resources of the country had been strained by a period of more than twelve years of intermittent war and continuous mobilisation.

A loan of the dimension required, however, presented great difficulties, for the financial credit of the Government in the money markets of the world had been necessarily weakened by the recent war.

In February 1923, therefore, the Government asked the Council (2) for the moral support and technical help of the League of Nations; and the Council transmitted the request to the Financial Committee for examination and report. On behalf of the Committee, M. PARMENTIER, member of the Committee, and M. STOPPANI, of the Secretariat, visited Athens to enquire into the situation, particularly as to the securities which the Greek Government could offer and as to the most suitable organisations for the control of the securities and the expenditure of the loan. Simultaneously, Colonel Procter made a full investigation as to the needs of the refugees.

Meanwhile, the situation became more acute on receipt of a note dated March 31st from the Secretary of State of the United States to the British, French and Italian Governments to the effect that the American Red Cross had decided to terminate on June 30th, 1923, its emergency relief work, on which more than 500,000 refugees were entirely dependent, and that the Near East Relief also desired to discontinue its emergency relief as soon as possible. The note added, however, that if a constructive plan could be worked out for an apportionment of the task and for the gradual solution of the refugee problem, American relief agencies would be ready to co-operate, even after the termination of the emergency relief work of the American Red Cross on June 30th. In fact, charitable assistance has been continued, particularly through the Near East Relief, though on a reduced scale.

The question was discussed by the Council (3), which constituted for the purpose a special Greek Sub-Committee, composed of the British, French and Italian Members of the Council, to whom a representative of the Greek Government was added (Document II).

After the investigations of M. Parmentier, M. Stoppani and Colonel Procter, the Financial Committee reported on the whole problem (Document III) and, after considering their report, the Sub-Committee of the Council, at its meeting of July 9th, 1923, approved the main lines of a scheme for the settlement of refugees to be financed by a loan and administered by an independent Settlement Commission.

## II. EVENTS FROM JULY 1923 TO SEPTEMBER 1924.

It proved impracticable, however, to issue a long-term loan immediately, principally because political conditions in Greece had not become sufficiently stable. There was in the latter part of 1923 considerable doubt as to the form of Government which Greece would adopt—whether monarchical or republican—and as to whether any form adopted would be permanent. The Government in power at the time had no parliamentary mandate; and good as the securities available for the loan were in themselves, it was evident that a long-continued political instability might seriously diminish their value.

It was mainly on account of this political uncertainty that the Financial Committee, while recognising that a suitable refugee scheme needed £10,000,000 and that (apart from this uncertainty) the security available was amply sufficient for this sum, had recommended that the loan should not exceed a maximum of £6,000,000. After its report, the increase in the political tension made it impracticable for the time to issue a long-term loan even of these dimensions.

(1) See Document I.

(2) See No. 864 of Council Minutes. (*Official Journal*, 4th year, No. 5, page 231).

(3) See No. 950 of Council Minutes. (*Official Journal*, 4th year, No. 6, page 602).

Fortunately, however, the work of settlement was enabled to proceed by an offer by the Bank of England in conjunction with the Bank of Greece of a provisional advance of £1,000,000, one-quarter being contributed by the National Bank of Greece on certain conditions, of which one of the most important was the establishment of an independent Refugee Settlement Commission on lines approved by the League.

With this offer before it, and on the basis of further proposals of the Financial Committee, the Council, on September 29th, 1923, approved (a) a Protocol containing the general conditions of a loan and the establishment of a Refugee Settlement Commission, and (b) the Statutes of this Commission; and both documents were signed on the same day by the Hellenic Government.

It was also provided that certain functions, described below, should be assigned to the International Financial Commission, which has existed at Athens since 1898 and is composed of representatives of France, Great Britain and Italy. These three countries undertook (Document X) to give the necessary instructions to their representatives.

The Protocol and the Statutes contain the conditions on which the loan was to be issued; define the objects on which it was to be expended; and establish the organisation—the Refugee Settlement Commission—through which the work was to be executed.

The provisions of the scheme are described in more detail below, as they have been slightly modified by the decisions of the Council in September 1924 (see final text, Document IX) (1).

The task of the Commission was confined to establishing the refugees in productive work either upon the land or otherwise, *i.e.*, in industry.

The Commission has consisted of :

(a) Mr. Henry MORGENTHAU, member of the Executive of the American Red Cross and the Near East Relief Societies, and former U.S. Ambassador at Constantinople, Chairman.

(b) Mr. John CAMPBELL, of the Indian Civil Service, former Director of Civil Supplies of the United Provinces.

(c) M. Etienne DELTA, Advisor to the National Bank of Greece,

(d) M. Pericles ARGYROPOULOS, former Greek Minister at Christiania, now replaced by M. EUSTATHOPOULOS.

The work of this Commission during the last year is described in three quarterly reports the third of which (Document VI) summarises all the work done.

The Commission first met at Salonica on November 11th, 1923, and after inspection of the settlement work already begun by the Greek Government in Macedonia, proceeded to Athens, its headquarters. The Commission found the work already well advanced, though handicapped by lack of funds. An organisation already existed covering not only Macedonia (divided into three administrative areas, Western, Central and Eastern), but other provinces, especially Western Thrace and the Islands (for example, Crete) and the region round Athens, where many of the refugees destined for agricultural settlement were temporarily housed and many others were gradually absorbed into industrial work.

In the first seven months of its work (January to July 1924), the Commission had actually settled 23,300 families (15,000 in Macedonia, 5,500 in Thrace and 2,800 in Old Greece); had constructed 8,600 houses and distributed 15,228 ploughs and considerable quantities of seed and forage. In addition, considerable expenditure had been engaged in obtaining the equipment, etc., required for further settlement. The overhead expenditure was kept within a percentage of 3.2; the average cost of each house was £48. Over 90 per cent of the cultivators are being settled in Macedonia and Western Thrace, where there are large areas of cultivated land vacated by emigrants to Turkey or belonging to large landowners or the State. The remainder are being placed in smaller settlements over a wide range, extending to Crete and certain other islands. Assistance has also been given in housing urban refugees, particularly in the neighbourhood of Athens; and some arrangements have been made for the absorption of suitable refugees in industrial employment.

In May 1924 when the first £1,000,000 was near exhaustion a second advance of £1,000,000 was arranged, on similar lines, by the Bank of England (the Bank of Greece again taking a quarter); and, some months later, a further £1,000,000 was secured from the Greek Government through the Bank of Greece. These resources will be sufficient to enable work to proceed in the winter.

### III. THE SCHEME.

This settlement scheme is the third of the important reconstruction tasks undertaken by the League. As with Austria and Hungary, the problem was a complex one, with political, technical, financial and legal aspects, and the Council used all the appropriate parts of its organisation to solve it. As stated above, it appointed a sub-committee of three members of the Council (the British, French and Italian), with the addition of a representative of the Greek Government. Enquiries were made on the spot as to the humanitarian aspect of the problem by the High Commissariat and, with regard to the financial aspects, by the French member of the Financial Committee, accompanied by an Italian member of the Secretariat. Assisted

(1) The Hellenic Parliament ratified the original text on June 7th, 1924, and the additional Act on October 24th, 1924.



in the drafting by the Legal Section, the Financial Committee itself undertook the main task of drawing up the scheme and prescribing at once the securities of the loan and the conditions of its expenditure. The composition of the Commission entrusted with the execution of the scheme includes, as has been seen, both the necessary qualifications and experience and at the same time takes into account the League's responsibilities and Greece's interests.

The problem and the solution adopted are different in essential respects both from the Austrian and Hungarian. In Austria, the whole finances of the country had collapsed and were in such a serious condition as to threaten an immediate political and social catastrophe. Consequently, the League scheme provided not only for the raising of the loan and its expenditure on appropriate purposes, but for the control of the whole of the Austrian budget; and in addition the loan itself was guaranteed by a number of Governments.

In Hungary, the general problem was the same, that is to say, the finances as a whole needed reconstruction, but they were not in such a serious condition as to threaten political collapse. The League plan, therefore, as in the case of Austria, included a control of the Hungarian budget, but it did not arrange for the guaranteeing of the loan by Governments.

In Greece, the problem was a smaller one. The general financial position was sound except for the sudden strain thrown upon it by the necessity for settling nearly one and a-half million refugees, some 20 per cent of the total population. The problem, therefore, serious as it was, was more restricted in scope, and the League scheme is confined in the main to determining adequate securities for the loan and the control of its expenditure. While providing certain safeguards for the general financial position, it does not include a general control of the budget.

The loan is to be of an amount not exceeding in net yield £10,000,000, out of which advances already made will be repayable. The expenditure of the money is under the control of a Refugee Settlement Commission, of which the composition is stated above. It is to be devoted to settlement in productive work, mainly, but not exclusively, upon the land. No part of it is to be used for relief purposes. The necessity for charitable aid therefore remains. As was pointed out in the resolution taken by the Council in the spring of this year :

"The Greek Refugee Settlement Commission is limited by its Statutes to the establishment of refugees in productive work and is explicitly prevented from giving charitable assistance :

"The temporary relief by charitable means of refugees who cannot be immediately placed in productive work is an essential complement of the scheme of reconstruction, which is intended to place them ultimately on a basis of self-supporting independence"(1).

The full property in the land required for settlement is to be transferred to the Settlement Commission by the Greek Government, which has undertaken to provide not less than 500,000 hectares (or about a million and a quarter acres) for the purpose.

#### IV. SECURITIES FOR THE LOAN.

The securities for the loan consist of :

I. A first charge on certain revenues.

II. An inferior charge on all other existing revenues which are already subject to certain prior charges in respect of earlier loans.

These revenues, both I and II, will all be placed under the control of the International Financial Commission, the members of which will receive instructions from their respective Governments (see Document X) to "discharge the duties which the Protocol contemplates shall be performed" by them.

III. Land assigned for settlement and the buildings erected on it.

IV. Repayment by refugees and taxes payable by them.

These securities are, of course, to be considered cumulatively.

I AND II. — ASSIGNED REVENUES. — (Full particulars are given in Document XI below, certified by M. TSOUDEROS. The following resumé is for convenience only.)

(1) *Revenues not hitherto controlled by the International Financial Commission.*

These revenues are the following :

	drachmæ
(a) Monopolies in the new provinces (salt, matches, playing-cards, cigarette paper) . . . . .	55,000,000
(b) New Customs duties (Canea, Candia, Samos, Chios, Mitylene, Syra). . . . .	55,727,000
(c) Tobacco monopoly in the new provinces. . . . .	240,000,000
(d) Stamp duties in the new provinces. . . . .	50,600,000
(e) Alcohol in the whole of Greece. . . . .	170,000,000
TOTAL . . . . .	571,327,000

All these public revenues are free of all charges, except the receipts of the tobacco monopoly in the new provinces, which is subject to a lien in favour of the 5 1/2 per cent loan of 1922. This lien is estimated at 29,070,000 drachmæ. After deducting this amount from the above figure, there remains a total sum of free revenues amounting to 542,257,000 drachmæ.

The above figures are the estimates of the Greek Finance Minister for the yield of the year 1925-26. As will be seen, these estimates correspond very closely in the aggregate with the reported results of the last quarter for which returns are available (viz, May to July 1924)

(2) A considerable amount of revenue is already subject to the control of the International Financial Commission. The receipts are estimated for the year 1925 at over 1,200,000,000 drachmæ.

These revenues (Customs duties, monopoly receipts and stamp duties in the old provinces) are already subject to two liens, of which one has priority over the other. They form a guarantee, in the first instance, for a series of loans managed by the International Financial Commission and, after the service of these loans has been deducted, leave free a sum estimated at 858 million drachmæ. This excess serves as security for a second series of loans which absorb 186,640,000 drachmæ.

The third mortgage, therefore, covers a sum of . . . . .	858,357,936
less . . . . .	186,640,000
leaving . . . . .	671,717,936

Adding up the value of all the securities mentioned under I and II:

(1) The revenues not yet under the control of the International Financial Commission . . . . .	542,257,000
(2) The revenues which are already under its control . . . . .	671,717,936
reach a total of . . . . .	1,213,974,936

which represents five times the amount necessary for the service of a loan of £10,000,000.

III. The land itself affords a separate and additional security. As full property is transferred to the Refugee Settlement Commission, it could if necessary be realised to supplement revenues for the purpose of meeting the service of the loan.

As will be seen from Document XII, the property so transferred with a clean title to the Refugee Settlement Commission is estimated by the Chairman and Vice-Chairman of the Commission as worth not less than £10,400,000, exclusive of any value added by expenditure of the loan itself. They add that this is a very conservative estimate, the Bank of Greece estimating the value of the land as being at least £6,000,000 higher.

IV. Moreover, grants of land being made on a basis of payment in respect of purchase and/or rent by settlers, money so received is available as a further source from which the service of the loan could be met. It should also be noted (see Document VI, Report of the Refugee Settlement Commission) that the financial responsibility for the supply of tools, cattle and agricultural implements is borne co-operatively by the settlers. Another source of income for the Commission will be the taxes paid by the refugees, as these taxes will be handed over by the Government to the Settlement Commission.

Incidentally, it should be remarked that testimony is unanimous as to the good quality of the average refugee. Once supplied with land and a modest equipment, he "makes good" in most cases with remarkable rapidity.

\* \* \*

These securities should, of course, be considered cumulatively. They clearly offer a very considerable margin over the service of the loan in the absence of any danger arising from either political or general financial difficulty in Greece. It is in view mainly of the first possibility that the issue of the loan has been deferred for a year. By the testimony of all observers, including in particular the Chairman and Vice-Chairman of the Refugee Settlement Commission, the political situation has enormously improved in this period and has steadily developed towards stability. Attention is called to the statement in the Commission's report<sup>(1)</sup> that the changes of Government which have taken place since the beginning of the Commission's work in December last have had no effect whatever upon the continuity in the policy of Greece towards the settlement schemes or in regard to its general financial position.

With regard to the financial position, it will be noted that the drachma, which had been fluctuating violently before the plebiscite and which had fallen as low as 450 to the £ in March 1923, has remained remarkably stable. The rate of exchange of the drachma on London was (weekly average) in the last week of each month beginning September 1923: 269; 287; 252; 209 (December 1923); 232; 254; 254, 221; 226 (May); 251 (June); 256; 246; 257 (September 1924).

During the period of war and unsettlement, as well as at other times, Greece has of course consistently maintained payments due under the obligations of her external debt.

It will be observed, too, that while the League does not, in view of the comparatively stable financial and budget position of Greece, contemplate any general control of the Greek budget, the Protocol includes an undertaking (Article VI) by the Greek Government "immediately to make and to persist in making every effort to secure as soon as possible a complete equilibrium between the ordinary receipts and the expenses of the State".

(1) See Document VI, last paragraph but two.

It also provides, as stated above, for definite and effective control by the International Financial Commission of the revenues assigned to the loan, and the special safeguard that the Government may not pledge for the purpose of another loan new taxes not assigned to this loan unless the International Financial Commission certifies that the character of those new taxes is not such as to impair the yield of the assigned revenues.

## V. CONCLUSION.

In concluding it may be convenient to call attention to the following aspects of the scheme to which reference is made above :

(a) While the scheme does not aim, as the Austrian and Hungarian schemes did, at directly reconstructing the whole of the Greek finances and for this purpose controlling the budget, it provides for the one abnormal burden upon the Greek finances, apart from which Greece herself shows every sign of being able to maintain a stable financial position.

(b) Relief work is no part of the present scheme, which is specifically limited to establishment in productive employment. Charitable assistance remains necessary, but as a complement to, and not a part of, this scheme.

(c) Both the political position and the financial position have since the work was first undertaken greatly improved in stability, particularly since the plebiscite of April 1924. In the opinion of competent observers, this is very largely the result of the moral and material assistance already given by the scheme itself.

(d) The risk during this earlier period has been taken by those who made the advances; lenders to the long-term loan which is now proposed have the advantage both of the definite improvement and stability that has been realised during this period and of the experience of the actual working of the scheme under the control of the Refugee Settlement Commission.

(Signed) J. A. SALTER.

October 15th, 1924.

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[C. 736 (a). 1922]

## I. — Extracts from a Report by Dr. Nansen.

Geneva, November 18th, 1922.

### PART II. — THE QUESTION OF REFUGEES IN GREECE AND ASIA MINOR.

1. Immediately after the close of the session of the Assembly of the League of Nations, I proceeded to Constantinople to carry out the enquiries into the problem of the refugees in the Near East with which the Assembly had charged me.

From Constantinople I proceeded on a journey of inspection through Eastern Thrace and from there to Athens.

In Constantinople, Salonica and Athens I had the advantage of establishing close contact on the problem of refugees with all the competent authorities of the Turkish and Greek Governments and with the leaders of the relief organisations which have already begun to bring assistance to the refugees. The conclusions which I venture to present to the Council of the League of Nations in this report are therefore based on a close study of the actual situation, and are arrived at after careful consideration of the problems which it raised.

2. Although I was prepared to make a journey in Asia Minor, I was unfortunately not able to carry this intention into effect. I have had therefore to rely for my information concerning the situation in Asia Minor upon what I have been able to learn from official sources and from relief workers on the spot. I am satisfied, however, from what they have told me, that there has been real distress on a large scale among a great number of the population inhabiting the area in which the military operations of September

last were carried out, and I endeavoured to do what I could to assist the authorities of the Turkish Red Crescent in alleviating this distress. I despatched 200 tons of flour, bought with the funds placed at my disposal by the Assembly of the League, to Smyrna. I also provided transport for a number of Turkish refugees from Constantinople to reach their homes on the shores of Asia Minor in time to carry through the autumn cultivation of their fields. Colonel Gauthier, the representative of the League of Nations Epidemic Commission, was able to come to the aid of the Turkish Red Crescent with medical supplies, especially vaccine and serum. The International Red Cross has also brought a certain amount of relief and a number of blankets to Smyrna, and the American Red Cross and the Near East Relief are carrying out work of assistance on a generous scale.

Nevertheless, it is clear, from the evidence which I have received, that the situation of the population in this area of Asia Minor, although undoubtedly serious, is one with which the Turkish authorities are in a position to deal without great assistance from outside, and I do not think that the problem there is comparable in gravity to that of the refugees in Greece.

3. There are already, within the frontiers of Greece, refugees of Greek and Armenian race amounting, according to information received, to not less than 900,000. The collection of exact statistics is still a matter of great difficulty, but it appears that at least 50,000, and probably a greater number, of these refugees are Armenians. To these Armenians the Greek Government is, with great generosity, extending hospitality and relief.

It is calculated that, of the 900,000 refugees, approximately 300,000 are from Eastern Thrace and the remainder from Asia Minor. Those from Eastern Thrace who left their homes after the conclusion of the Armistice of Mudania are in comparatively good conditions. They were able to bring away with them at least some of their movable possessions, including for the most part their cattle, wagons, clothing and in some cases their agricultural implements. Although they were obliged to leave behind the abundant crops which they had reaped this year, they have nevertheless, generally speaking, a certain amount of money.

The refugees from Asia Minor, on the other hand, have left their homes with such precipitation that they have no other possessions of any kind than the light summer clothes which they wear. They urgently require not only shelter, but also winter clothing and blankets to enable them to face the severity of the coming winter; they are also without any money with which to supply themselves with food.

The Greek Government has made great efforts to distribute these refugees throughout the country in such a way as to permit of their absorption by the local population.

For the refugees from Eastern Thrace who are agriculturists, this absorption is less difficult, and a certain measure of success has already been achieved in placing them on the vacant lands in Macedonia and Western Thrace, where they will be able to grow for next year the crops which they will require to enable them to live. For the whole of the refugees from Asia Minor, however, and for the town population from Eastern Thrace, the difficulties are far greater. In spite of the great efforts which have been made by the Greek Government and people, and by the various relief agencies, the situation of these refugees is very grave.

4. It is not possible to give in this report a detailed account of the work which is being done and the problems that are being dealt with by the relief agencies. I will on a later occasion give a detailed account to the Council of the use which I have made of the funds placed at my disposal. I succeeded in acquiring a considerable quantity of flour with the least possible delay, which was used to meet a difficult situation on the islands of Samos and Chios. League representatives are now carrying out direct relief in Western Thrace. I venture to appeal urgently and insistently to the Governments of the Members of the League to provide the further contributions which are required to enable me to acquire the whole of the £50,000 promised by the British Government when a similar sum has been contributed by the other Members of the League . . .

I am very happy to be able to say that the American Red Cross, under the able leadership of Dr. Ross Hill, has come into the field and is now bringing help in the form of food and other direct relief which will go far to solve the most immediate problems. The American people, through the agency of the American Red Cross, are thus about to add another chapter to their already long record of great acts of charity. It may be hoped that, if the response to the appeal for charity from other quarters of the world is equally generous, and if there is no further influx of refugees into Greece, the problem of feeding the refugees during the next few months may be satisfactorily solved. This result can only be achieved, however, if the charitable organisations of other countries make a response corresponding in degree to that of the American Red Cross . . .

7. I need not draw the attention of the Council of the League in any detail to the serious results which the situation I have described must entail for the Greek State. It inevitably imposes a terrible strain upon its financial, economic and moral resources.

If the food supply for this vast influx of refugees were to break down, it might threaten the whole social and economic stability not only of Greece itself but even of neighbouring countries in the Near East. . . .

In my opinion, the only way in which the necessary capital can be found is by some form of international loan. I believe it is in the interests of the other Members of the League that such an international loan should be granted to the Greek people to enable them to re-establish on a firm footing their national economy. I venture to hope that this is a question which the Governments concerned, acting through the Council of the League of Nations or otherwise as they may think fit, may find it possible to study at the earliest possible moment. There is no need to add that the Greek Government would be prepared to allocate revenues for the payment of the interest and the amortisation of the capital of such a loan. . . .

## II. — Resolution adopted by the Council of the League of Nations on April 23rd, 1923.

(Fourteenth Meeting, Twenty-Fourth Session.)

The Council, having heard Dr. Nansen's statement as to the position of the refugee problem in Greece;

Understanding that the Greek Government is now engaged in collecting the essential information which the Financial Committee requires in order to examine, in accordance with the authorisation already given by the Council, the practicability of the flotation of a loan on the basis of securities which Greece could offer :

Now requests the High Commissariat, in consultation with the Greek Government, to consider whether, if a loan should prove practicable, it would be possible to replace the temporary relief measures which, except in a part of Western Thrace, have hitherto alone been undertaken, by a general plan enabling refugees in other parts of Greece to be settled on the land or otherwise established on a self-supporting basis, and, if so, to prepare a scheme for the purpose;

And hereby appoints a Sub-Committee, consisting of the British, French and Italian Members of the Council, with authority to invite the Greek Government to add a fourth member, to receive the reports from the Financial Committee and from the High Commissariat, and to advise the Council at its next session whether the League itself can properly and usefully accept any responsibility or take any action.

## III. — Extracts from the Report of the Financial Committee presented in 1923 to the Greek Sub-Committee of the Council.

June 25th, 1923.

### INTRODUCTION.

In accordance with the Council's resolutions of February 2nd and April 23rd, the Financial Committee has studied the question of the practicability of the flotation of a loan by the Greek Government, on the basis of securities offered by it for the solution of the Greek refugees problem.

It has had to assist it in this study a considerable mass of information, in part supplied by the Greek Government in answer to a questionnaire, and in part prepared by the Secretariat. In particular, however, it has had the advantage of a special report, supplemented by oral explanations, prepared by one of its members, M. Parmentier, assisted by M. Stoppani, who made a special visit to Athens on its behalf. In addition, it has had before it the report of Colonel Procter, who, as Dr. Nansen's representative, has been studying in Greece the practical measures of relief and re-settlement required; and a less detailed statement of the Greek Government's own proposals.

The Committee has necessarily approached the question from the purely business point of view, that is, from the point of view of the prospective lenders. From this point of view, it has found the task one of particular difficulty because of the existence of conditions, some of them not primarily of a financial character, which at the same time seriously affect the prospects of any loan.

## PART I. — *Preliminary Conditions of the Loan.*

It thinks it well, therefore, in the first instance, to point out some of the general difficulties and to summarise some of the more important points upon which lenders will wish to be satisfied.

1. They will wish to be satisfied that any engagements entered into by Greece are constitutionally binding upon the present and any future Greek Government. The Committee understands that national assets and revenues can only be pledged by the Greek Government with the approval of Parliament.

2. They will also, no doubt, wish to be satisfied that the negotiations for a Peace Treaty with Turkey will result in the definite assignment to Greece of those territories whose revenues are proposed to be allocated as security for the intended loan; and, further, that the measure in which these revenues may be encumbered shall not impair the security for the refugee loan.

3. They will also require some definite assurance that budgetary equilibrium will be established in the near future, and that the intervening period will not be bridged by monetary inflation but by sound financial measures, including drastic reduction of expenditure, especially of a military character.

(If a large budget deficit is met, in the absence of other resources, by inflation on a large scale, the result must inevitably be such a depreciation of the drachma as would substantially impair the value of any revenues which the Greek Government could assign as security for the loan.)

4. Finally, the Committee understands that, under an agreement entered into by Greece with the United States of America, France, and Great Britain, dated February 10th, 1918, Greece has undertaken "jusqu'au remboursement desdites obligations, aucun gage nouveau ne pourra être affecté à un emprunt extérieur sans l'assentiment des Gouvernements des États-Unis, de la France et de la Grande-Bretagne".

The release by these Powers of their right of veto under this agreement would therefore appear necessary in order to make the assets available as pledges for the proposed loan. In view of the humanitarian character of the proposed loan, it is perhaps reasonable to anticipate that this and other outstanding matters in connection with the before-mentioned agreement and other obligations can be adjusted satisfactorily.

## PART II. — *Securities which can be assigned to a Loan.*

Subject to the above general conditions, the Greek Government has certain securities which it could offer as the basis for a loan, and it will be convenient to examine here what these securities are and to what extent they are available for a refugee loan.

In a letter handed to M. Parmentier when he was at Athens, the Greek Government furnished the following estimates of the securities which Greece could provide :

	Drachmæ
Surplus of revenue specially assigned and administered by the International Financial Commission . . . . .	250,000,000
Surplus of revenue specially assigned but not administered by the International Financial Commission . . . . .	345,000,000
Free receipts. . . . .	80,000,000
TOTAL. . . . .	675,000,000

As the amount of the receipts and expenditure, from which the above figures were estimated, was calculated at the rate of 300 dr. to the pound sterling, the Greek Government considers that it is in a position to give, as security, revenue-producing annual receipts to the extent of £2,250,000 sterling.

The International Financial Commission estimates at only 130,000,000 dr. the free surplus from the revenue which it administers, and which is calculated above at 250,000,000 dr. It did not feel that it could give any estimate of the other receipts proposed as securities by the Greek Government.

The extreme difficulty of making such calculations should, moreover, be emphasised, for the receipts in question are, of course, very considerably affected by general political conditions, fluctuations in the rate of exchange, the economic condition of the country and the organisation and stability of the administrative services.

This difficulty is sufficiently brought out by the following discrepancies which have been noted in the documents supplied from time to time by the Greek Government.

*Receipts specially assigned and otherwise.*

(In millions of drachmæ.)

	Estimates furnished to the Secretariat on May 4th, 1923	Estimates furnished to M. Parmentier in June 1923	As calculated by the International Financial Commission
Monopolies in Old Greece. . . . .	200	169	—
Tobacco and Stamp Duty . . . . .	355	405	—
Piræus Customs. . . . .	450	250	—
Other Customs. . . . .	350	185	—
	1,355	1,009	1,040
Deductions for the service of the loans . .	905	760	910
Free surplus. . . . .	450	249	130

In these circumstances, it is only possible to note that the International Financial Commission, reckoning the average rate of exchange as 300 dr. to the pound sterling, estimates at 130 million dr. the probable surplus of the revenue which it administers. As the population of New Greece, again, is about equal to two-thirds of that of the old kingdom, the estimates furnished by the Greek Ministry of Finance for the following taxes levied in the new provinces appear to be not unlikely.

Duties	Estimated revenue for New Greece	Revenue estimate and confirmed <i>en bloc</i> by the International Financial Commission in Old Greece
	Drachmæ	Drachmæ
Stamp duty . . . . .	22,000,000	45,000,000
Tobacco . . . . .	200,000,000	360,000,000
Salt . . . . .	14,000,000	21,000,000
Matches . . . . .	21,000,000	27,000,000
Playing-cards. . . . .	2,500,000	9,671,000
Cigarette-paper. . . . .	10,000,000	14,400,000
TOTAL. . . . .	269,500,000	477,071,000

The duty on alcohol in the whole of Greece and the Customs which are at present free cannot furnish a basis for any similar comparison. The Greek Government estimates the amount which will be obtained from the former at 122,630,000 dr. It can only be pointed out that the Customs charges have recently been very considerably raised, and that the amount produced has steadily increased during the last few years (25 millions in 1920, 33 millions in 1921, 74 millions in 1922). The amount from free Customs is estimated at the relatively modest sum of 32 millions.

Under these conditions, it appears—if we adopt the same premises as the Greek Government, with all the reservations referred to above—that we may be justified in estimating the annual receipts available to provide security as follows :

	Drachmæ
Surplus of receipts administered by the International Financial Commission (Commission's figures). . . . .	130,000,000
Receipts not administered by the International Financial Commission (figures of the Greek Ministry of Finance). . . . .	425,000,000
TOTAL. . . . .	555,000,000

which, at 300 dr. to the pound sterling, would give £1,850,000 sterling.

These estimates may, of course, be subject to considerable modification as a result of fluctuations in the rate of exchange. But such a case might be provided for by stipulating that the tariff should not be lowered without the consent of the International Financial Commission and that the Greek Government, moreover, should, at the request of the Commission, raise the charges to the extent necessary to render the tariff, expressed in drachmæ, capable of producing a fixed revenue in pounds sterling.

It would appear, however, essential to deduct a certain amount from the above-mentioned figure, in order to cover financial and economic risks, and the Committee proposes to fix this amount at 20 per cent. This deduction brings the total amount available for security down to £1,480,000 sterling.

If the treaties now being drawn up debited Greece with part of the Ottoman Debt, involving an annual payment of £500,000 sterling, and if this annual payment is secured by revenue from the New Provinces, only £980,000 sterling would remain available. If we assume that a loan is floated, the total service of which (including amortisation) would require 10 per cent of the capital, the security offered by the Greek Government could, if the above estimates prove correct, accordingly provide security for a loan of about £10,000,000 sterling. This total would clearly be diminished if, as a result of the treaties, certain securities were deducted from the total in order to guarantee other obligations.

Even if we admit that the treaties will not burden the Greek Treasury with charges other than part of the Ottoman Debt, the theoretical maximum of £10,000,000 sterling referred to above cannot be reached in the case of a loan which would be used entirely to solve the refugee problem. It must not be forgotten that Greece will shortly have to provide for the payment of arrears, the amount of which it is difficult to estimate, and that, moreover, she will have to meet the deficit on her current budget, and doubtless, even if extraordinary expenditure (mobilisation, war material, refugees) is abolished in the near future, a certain deficit in the next budget.

As the Greek Government is unable to borrow at home, it can, in order to meet these two categories of expenditure and avoid suspending payment, only resort to a foreign loan or to the inflation of the currency. It can therefore only devote to the refugee loan a part of its remaining securities, and it will be obliged to reserve the rest for a further credit operation. It is difficult to see how it could otherwise prevent the depreciation of the currency, which, among other consequences, would be such as to reduce the actual value of the securities which are assigned to the refugee loan.

It appears to be impossible to give any precise figures concerning the imperative needs for which the Greek Government will have yet to provide; we either possess insufficient information concerning these needs (arrears) or they depend on future events (possibility of returning, in the near future, to a strict balance of the total receipts and expenditure of the State). However, it cannot be doubted that, even in the most favourable circumstances, a very important part of the security must be reserved and that the refugee loan must be reduced to very modest dimensions unless securities other than those indicated by the Greek Government can be furnished.

In this connection, it should be pointed out that the refugee loan is destined, as far as possible, to restore once more to productive labour a population which is at present inactive. The Greek Government is determined to devote to this purpose not only the amount which may be produced by the loan but also very considerable areas of cultivable land which it possesses and the area of which it estimates at 400,000 hectares. It would therefore seem that this land, which would attain a definite value by being brought under cultivation, might furnish security for the loan.

In other words, the farm rents which the refugees, who had thus become farmers once more, would have to pay, and the payments which they might make in order to obtain the ownership of their land, might easily be assigned to the service and speed er amortisation of the debt. The same would apply in the case of the repayment of advances which the administrators of the loans might make to undertakings capable of relieving them of all totally unproductive expenditure on upkeep by the employment of refugees (1).

#### IV. — Letter from M. D. Caclamanos, Greek Minister in London, to the Secretary-General of the League of Nations.

London, August 16th, 1923.

I have the honour to inform you that, subsequent to the adoption by the League of Nations Council, during its twenty-fifth session, of the proposal of the Financial Committee of the League in favour of the flotation of a loan of from £3,000,000 to £6,000,000

(1) *Note by Secretariat.* — The portions of the Financial Committee's report which followed those given in full above dealt with the form to be given to the organisation to be adopted. The text will be found in Doc. C. 660.1923, pages 11 and 12. The Council, after discussion, adopted as a form of organisation "the Refugee Settlement Commission"; the Protocol and statutes of the Refugee Settlement Commission were drawn up by the Financial Committee after the Council's decision.



by Greece for the establishment of the refugees, M. Diomede, Governor of the National Bank of Greece, has opened negotiations to that effect in London.

The conclusion of a loan for the whole amount proposed at the present juncture has unfortunately encountered certain difficulties.

However, in order to ease the situation and to facilitate the immediate commencement of the establishment of the refugees—pending the flotation of the whole loan—the Bank of England has consented, subject to certain conditions, to arrange for a provisional advance of approximately £1,000,000 to the National Bank of Greece.

It is a condition that the amount of the advance is to be placed at the disposal of the Special Settlement Commission suggested by the Council of the League during its last session, to be applied by them under the terms of the Annex. It is therefore of the first importance that the members of this Commission should be appointed at once.

In view of the above, I should be very grateful to you if you would be good enough to cause the necessary steps to be taken for the appointment of the two members of the Commission to be appointed by the League of Nations and the Government of the United States of America.

On the other hand, arrangements are being made for the appointment by Greece of the other two members of the Commission provided for according to the decision of the Council.

It is my earnest hope that you will kindly see your way to cause these appointments to be made at your early convenience, so that the utilisation of the advance consented by the Bank of England might be delayed as little as possible, and that the all-important work for Greece, of the establishment of even a part of the refugees, might commence forthwith.

(Signed) D. CACLAMANOS.

## ANNEX

The Refugee Settlement Commission to undertake, as regards the disbursement of the moneys to be provided by means of the proposed temporary advance to the National Bank of Greece :

1. To adopt the lines of the proposals approved by the Council of the League of Nations at its twenty-fifth session.
2. To effect settlements solely on lands provided free of charge and without encumbrance by the Greek Government.
3. To obtain security for all payments.
4. To make payments only for productive purposes.
5. To make no charitable or *ex gratia* payments.
6. To hand over all eventual assets and security to the International Financial Commission.

## V. — Extract from the Minutes of the Twenty-sixth Session of the Council of the League of Nations.

Twenty-fourth Meeting (private), held on Saturday, September 29th, 1923, at 5.30 p.m.

Present : All the representatives of the Members of the Council, and the Secretary-General. The British Empire was represented by Sir Rennell Rodd.

### *Greek Refugees Scheme : Report of the Greek Sub-Committee.*

M. MICHALAKOPOULOS, representative of Greece, came to the Council table.

M. HANOTAUX introduced the Protocol and Statutes approved by the Greek Sub-Committee for the creation of a Refugees Settlement Commission. He recalled the fact that, at its last session, the Council had, at the request of the Greek Government, and with the assistance of Dr. Nansen, established a general office for the relief of refugees by means of employment in Greece.

He need not, he thought, emphasise the immediate necessity of these numerous refugees finding on their own soil some employment which would allow of their being self-supporting, and also to diminish to some extent the heavy expenditure which fell on the Greek Government in this connection.

Up to the present, the refugees in question had been assisted both by the Greek Government and by English and American relief organisations. Some of these organisations had made it known that they would not be able indefinitely to continue their relief work. It was therefore very urgent that the scheme submitted by the Greek Sub-Committee should be put into execution as soon as possible.

He then read the draft resolution proposed by the Greek Sub-Committee and suggested that this resolution should be published in order to encourage subscriptions.

M. MICHALAKOPOULOS wished to express to the Council and the Secretariat, on behalf of the Greek people, his deep gratitude for the part they had taken in the drawing-up of this scheme, which he was sure would result in great benefit to the refugees. He accepted the text of the resolution as proposed by M. Hanotaux.

He had received instructions from his Government to sign the scheme without delay.

M. HANOTAUX added that the Greek Sub-Committee had heard the representative of Dr. Nansen, who had stated that he had no objection to the draft resolution.

Sir RENNELL RODD entirely approved the draft resolution but wished to make one or two observations.

He wished, in particular, to express his great admiration for the work already done by Colonel Procter and Colonel Treloar in Western Thrace. In spite of the very small sums at their disposal, these two gentlemen had succeeded in assisting 15,000 Greek refugees to become self-supporting. He thought that all the Members of the Council would agree with him in thanking them for the work they had done and, at the same time, in expressing the hope that the Commission entrusted with the duty of relieving the refugees would profit by their experience.

M. MICHALAKOPOULOS stated that M. Politis had already had occasion to express to Colonel Procter and Colonel Treloar the gratitude of the Greek Government for their admirable work. He would add that it was chiefly owing to the interest aroused by the work of these two gentlemen that it had been possible to conceive the idea of a general plan for the relief of all the refugees.

M. BRANTING drew the attention of the Council to the following resolution of the Assembly on the subject of these refugees :

“The Assembly :

“Having noted with great interest the report of the High Commissioner for Refugees on the work which he has so successfully carried out on behalf of the refugees of Asia Minor, particularly with a view to carrying into effect a scheme for their permanent settlement in Greece,

“Desires to express to him its gratitude for the eminent services which he has rendered to the League and to the refugees; and,

“Considering it desirable that he should continue to collaborate in the work undertaken on behalf of the refugees :

“Invites the High Commissioner to co-ordinate the work of the other organisations dealing with the refugees; and

“Decides to place the necessary sums for this purpose at his disposal.”

The Council adopted the following resolution :

“The Council :

“1. Approves the scheme for the establishment of a Greek Refugees Settlement Commission for the settlement, in productive work, of refugees in Greece, set out in the draft Protocol for signature by the Greek Government;

“2. Approves the appointment of M. Etienne Delta and M. Pericles Argyropoulos, nominated by the Greek Government, as members of the above Commission;

“3. Appoints Mr. Campbell as League member on the above Commission;

“4. Appoints Mr. Henry Morgenthau, on the nomination of the Near East Relief, as fourth member and Chairman of the Commission;

“5. Decides to issue a public communication which will make it clear that, since the loans to be administered by the Refugees Settlement Commission are to be devoted exclusively to settlement in productive work, and the Commission is specifically prevented from using them for the purpose of relieving distress, and since it is inevitable that much distress must remain which cannot be dealt with, or cannot be dealt with at once, by those means, the work of charitable societies is an essential complement to the settlement scheme.

“The Council therefore hopes that the charitable subscriber will continue to support these societies as generously as in the past—indeed, even more generously, in the knowledge that such support will not be as it has been hitherto—a palliative—but an important contribution and an essential factor towards a definite and final solution of the Greek refugee problem.”

## VI. — Third Quarterly Report on the Operations of the Refugee Settlement Commission.

[C. 438.1924.]

Athens, August 25th, 1924.

Although we have adhered strictly, in the use of the funds received from the Bank of England, to the conditions laid down in the Protocol and Organic Statutes, we are happy to state that we were enabled greatly to enlarge our sphere of usefulness by obtaining from the National Bank of Greece a loan of one million pounds sterling free of the restricting conditions under which the ordinary funds of the Commission must be expended.

### FINANCIAL POSITION.

The total sums which have been put at the disposal of the Refugee Settlement Commission since its inauguration now amount to three million pounds sterling. Of these, the first million was advanced by the Bank of England in November last, and the second million by the same institution in May of this year; both these amounts were advanced through the National Bank of Greece, which participated in them to the extent of one-quarter. The third million was advanced by the Greek Government through the National Bank of Greece on July 9th, 1924.

This latter grant of a million sterling entailed great sacrifices on the part of the Greek Government and demonstrates in the most conclusive fashion the importance that it attaches to the work of settlement being pushed through at a maximum velocity and its approval of the methods adopted by the Commission to that end. The sum is placed at the Commission's disposal to utilise in establishing refugees on lands not yet the property of the Commission—that is, not yet formally and legally transferred free and unencumbered to their ownership—but which the Greek Government binds itself to transfer in proper form as soon as it is possible to do so. It is a great advantage to the Commission to have this sum to draw upon in circumstances where all the Protocol conditions are not satisfied at the moment when expenditure is called for. Disbursements can now be made and the work of settlement pushed ahead in many directions which heretofore were excluded by the terms of the Protocol.

### BUDGET.

The expenditure actually incurred is as follows :

	Up to August 15th			Up to May 15th			Up to February 15th		
	£	s.	d.	£	s.	d.	£	s.	d.
Agricultural Settlement. . . . .	1,043,247	5	9	302,415	3	10	76,339	13	7
Urban. . . . .	202,244	9	6	182,239	9	5	60,724	0	6
Headquarter Expenses . . . . .	12,762	13	8	5,424	0	5	2,523	9	0
	<u>1,258,254</u>	<u>13</u>	<u>11</u>	<u>490,078</u>	<u>13</u>	<u>8</u>	<u>139,587</u>	<u>3</u>	<u>1</u>

There is also the sum of £160,000 still held in reserve, as explained in the last Report, against expenditure entered into under the arrangement with the National Bank of Greece. This matter will be liquidated very shortly.

It will be noted that the rate of expenditure during the period of three months ending August 15th is more than double that of the previous quarter. This increased rate will be maintained and probably slightly increased.

No attempt has been made to forecast exchange movements over a long period, but advantage is taken of sharp rises in the value of the pound sterling to lay in a stock of drachmæ sufficient for the needs of the immediate future. The average conversion figure for the value of the pound sterling in drachmæ (calculated on the 19 exchange operations which have taken place since the beginning of the year) is 247.72.

It has been decided to consider, for audit purposes, January 1st, 1924, as the date on which the Commission began financial operations, and to have the accounts for the twelve months ending on December 31st, 1924, audited by persons nominated by the Ministry of Finance and the National Bank of Greece respectively.

## OVERHEAD EXPENSES.

An analysis has been made of the expenditure up to June 30th, 1924. In one category have been put the items which have directly benefited refugees, such as the amounts spent on materials (ploughs, seed, wheat, cattle, etc.), including transport and the incidental expenses of purchase (insurance, inspection, legal fees, etc.); and on the wages of workmen or the payment of contractors for building houses or other constructions directly useful to refugees.

In the other category have been put the salaries and travelling or other expenses of the Commissioners, the headquarters staff of every grade, the inspection staff, the Directors of Colonisation and their staffs, the district agriculturists and superintendents with their clerical and technical employees; the rent or other expenditure incurred on buildings occupied as offices, stores or for personnel accommodation; cleaning, stationery and other office expenses, and all items of a like nature which can be classified as indirect expenditure.

The amounts spent under these two headings amount in round figures respectively to £840,000 and £28,000, from which it appears that the percentage which overhead expenses bear to total expenditure is 3.2.

## LAND SETTLEMENT.

More than 90 per cent of the cultivators are being settled in Macedonia and Western Thrace. Both these provinces contain large areas of cultivable land which belongs either to large landowners or to the State, and the former province comprises a large area of land left vacant by the evacuation of the Mussulman population. These conditions do not obtain in the remainder of Greece, except in Crete, where some arable land becomes available owing to the departure of the Cretan Mussulmans.

The transport difficulties in Macedonia and Thrace are one of the most serious obstacles in the work of settlement. The railways are short of rolling-stock and the transport of material is consequently often delayed, while many important centres are situated at great distances from the railway and all material must be carried there by motor lorries and animals, of which there is a shortage.

The cereal crop, with the exception of maize, has not been good this year in these provinces owing to the prevalence of drought in the spring, but notwithstanding this there is more land under cultivation, and there will be a larger production of agricultural produce than has ever been known before.

The following statistics show the work accomplished during the period January 1st to July 31st, 1924 (seven months) :

### *Families of Agricultural Refugees settled :*

Macedonia. . . . .	15,000
Thrace. . . . .	5,500
Old Greece . . . . .	2,800
<b>TOTAL. . . . .</b>	<b>23,300</b>

### *Houses constructed :*

Macedonia. . . . .	6,500
Thrace. . . . .	1,800
Old Greece. . . . .	300
<b>TOTAL. . . . .</b>	<b>8,600</b>

### *Drought animals distributed :*

Macedonia. . . . .	7,401
Other districts. . . . .	1,307
<b>TOTAL. . . . .</b>	<b>8,708</b>

### *Ploughs distributed :*

Macedonia. . . . .	14,085
Other districts . . . . .	1,143
<b>TOTAL. . . . .</b>	<b>15,228</b>

*Seed grain distributed :*

Macedonia. . . . .	2,257,641 okes
Other districts. . . . .	64,000 "
TOTAL. . . . .	2,321,641 okes

*Forage distributed :*

Macedonia. . . . .	5,771,984 okes
Other districts. . . . .	80,334 "
TOTAL. . . . .	5,852,318 okes

CONSTRUCTION OF HOUSES.

The houses which are being erected in Macedonia and Thrace for the agricultural refugees consist of two living rooms, a stable and a granary.

The roof is of locally made tiles, the floor of beaten earth; the walls vary according to the local resources and consist of brick, mud-brick, masonry or reeds covered with mud plaster. Doors and windows, shutters, and a hearth of local pattern are provided.

There are several types, differing only in the size of rooms and in the provision in some of a covered verandah for drying tobacco leaves and other produce, which are used according to the size of the family they will shelter. There is also a type specially designed for fishermen, in which the stable and granary are omitted and sheds substituted.

The average cost of these houses, disregarding overhead charges and transport of materials by rail, is about 12,000 drachmæ, equivalent at the present rate of exchange to £48.

They are erected by local labour, working under the supervision of foremen of works who are employees of the Commission. The necessary material is purchased by the headquarters purchasing departments at Salonica or Athens, either overseas or locally.

In addition, a contract was entered into in July with a German syndicate, Messrs. Dehatoge and Sommerfeld, for the construction of 8,000 houses of this type.

The delivery and erection will be according to a time scale, and will be completed by the first week in December 1924. The syndicate has an option to contract for the erection of a further 2,000 houses, to be completed within one month of this date, *i.e.*, by January 1925.

These houses are erected complete by the syndicate (including doors and windows), except the walls. The walls will be added, when the framework and roof are completed, by the refugees themselves, working under the supervision of employees of the Commission.

MECHANICAL PLOUGHING.

Motor tractors have been employed in Thrace and Macedonia to break up virgin land and render it fit for allocation to refugee settlers. A total of 21 tractors has been employed, and some 18,000 strommas have been ploughed up to date.

The statistics available indicate that the average cost per stromma is 58 drachmæ.

LANDS.

The Hellenic Government has recently enacted certain legislation whereby the greater part of landed estates exceeding a certain area is expropriated by the State. Part of the land so expropriated will be allocated to indigenous peasant proprietors, but the larger part is being used for the settlement of refugees, and although up to date none has been actually handed over in full title to the Commission, the execution of this transfer will take place in the near future.

The Commission is entirely satisfied not only with the *bona fides* of the Hellenic Government and the genuine good-will of the various successive ministries to put these lands into the legal possession of the Commission but also with the strenuous measures which they are taking to carry through this expropriation of properties. This they are doing despite the opposition of the landlords concerned and the inevitable friction which arises in such circumstances, and in apparent disregard of political consequences.

As regards the lands abandoned by Mussulmans who are leaving Greece under the ægis of the Mixed Commission for the Exchange of Populations, the recent decision of that Commission that these properties will remain at the disposal of the Hellenic Government is highly satisfactory. The exact text of this decision is as follows :

"As from to-day's date, property abandoned on departure by persons who are liable to exchange will remain at the disposal of the Government on whose territory it is situated, subject to the obligations imposed on the two Governments by the provisions of Article 14 of the Convention.

"*N.B.* — This decision does not affect any questions relating to movable property, which will be discussed later."

In informing the Commission of this decision, by an official letter dated June 24th, the Hellenic Government added —

"As there is no longer any legal obstacle to the lands subject to exchange and claimed in virtue of the Protocol of Geneva being handed over to you in full ownership in conformity with that Protocol, we would request you to appoint a delegate to confer with the Government regarding the formalities attending this transfer and to furnish him with the necessary particulars respecting the area, situation, etc., of the land to be transferred."

The Commission replied expressing its satisfaction at the readiness of the Government to fulfil the conditions of the Protocol and suggested the method whereby the transfer could be carried out most effectively. It was recognised that the great obstacle to a formal transfer of the properties was the fact that no proper survey exists, and that lists and plans are lacking in Epirus and Macedonia where most of the abandoned Mussulman lands are and the arrangements to be made in order to ascertain in each case what portion, if any, of the property must be assigned to the "colons" and native tenants.

Material progress has been made in this regard which is embodied in the letter quoted below, which can be regarded as the instrument of transfer:

*From the Ministry of Agriculture (General Direction of Exchange of Populations)  
to the Refugee Settlement Commission.*

Athens, August 21st, 1924

"In reply to your letter of July 12th, 1924, we have the honour to inform you that we transfer to you from now, in full proprietary rights, the entirety of the cultivable lands of Mussulmans subject to exchange. This transfer is in fulfilment of the obligations of the Hellenic State arising under the Protocol of Geneva. We engage ourselves to ratify the present transfer by transfers in detail as soon as the exact information necessary for such individual transfers has been collected by the authorities concerned.

"It is to be understood, however, that lands under cultivation by colons or by other native cultivators on a similar basis will be exempt from the present transfer in favour of the refugees, and that the areas thus deducted will be replaced by other lands subject to exchange or completed in some other way by other lands which will be transferred to you by us, so as to fulfil completely the conditions laid down in the Protocol of Geneva.

(Signed) A. MYLONAS,  
*Minister of Agriculture.*"

The actual transfer in detail has already begun, and properties containing a total of approximately 160,000 strommas of cultivated land have actually been made over legally to the Commission since the receipt of the above-quoted letter. Such transfers will continue piecemeal as and when the necessary topographical and mensural information becomes available for individual properties.

Twelve survey parties belonging to the Topographical Department of the Ministry of Agriculture started work a month ago in Macedonia on delimiting, marking out, and preparing plans of Mussulman properties; the Commission's Colonisation Service in Macedonia is co-operating and pointing out the properties which it desires to be dealt with first

#### WESTERN THRACE.

In Western Thrace the Mussulman population is not being evacuated, and consequently no Mussulman lands become available for the settlement of refugees.

Even in the case of the large estates belonging to Mussulmans, it is not possible for the Hellenic Government to expropriate them without paying at once and in cash their value. The Hellenic Government has therefore entered into an arrangement with the National Bank of Greece for the expenditure of a sum of fifty million drachmæ (some £200,000) on the purchase of land belonging to private persons. This land will be at once transferred to the full ownership of the Commission, along with some 100,000 strommas of crown land which exists in that province.

Should the land thus acquired still prove insufficient for the needs of settlement in Western Thrace, the Hellenic Government can, under their arrangement with the National Bank, obtain a further sum of 50,000,000 drachmæ (this making 100,000,000 drachmæ, or £400,000, in all) for the purchase of lands.

#### URBAN SETTLEMENTS.

The accommodation at Volo has been increased during the last quarter by 166 living-rooms, bringing up the total number of families which can be accommodated there to 786. No further extension is contemplated and, except for certain accessory buildings, work is completed there.

Although the programme of construction at Vodona was considered complete three months ago, it has since been decided to extend settlement. 90 more living-rooms have been constructed; 272 are under construction and will be finished during September.

105 more living-rooms have been erected at Eleusis, giving a total number of 825 rooms there. This completes the programme, and it is not proposed to extend this settlement, as it is doubtful if any more refugees can be absorbed in the economic life of the town.

At the four Athens and Piræus settlements the whole original programme has been completed. The total number of rooms now amounts to 15,660 (as against 11,500 three months ago). Contracts for the construction of 3,624 more rooms have been entered into. Their total cost will amount to 52,000,000 drachmæ; some 80 per cent of these rooms are grouped in two-storied blocks, the remainder in one-storied. 2,492 are being built in masonry, 732 in cement blocks and 400 in mud-brick. They will be all completed by the end of January next.

These rooms are mostly grouped in two, so to permit of the family possessing a living-room and a sleeping-room, in addition to a small kitchen and a sanitary annex (which are not counted in the above enumeration of rooms). In many cases at the present time these two-roomed dwellings are being temporarily used to accommodate two families. Some groups, however, contain three rooms and one room in addition in each case to the kitchen and sanitary annex.

A sum of nearly 16,500,000 drachmæ has been set aside for supplementary work, such as water-supply, drainage, road-making and the replacement of ephemeral tarred-paper roofs by tiles.

Since the middle of April last, when the Commission instituted the system of leasing rooms and shops, until August 11th, 846 rooms and shops have been leased and some 300,000 drachmæ realised. The amount of rent collected each month shows a progressive increase, the amount for August being nearly 100,000 drachmæ.

This system of leasing houses does not interfere with the granting of accommodation to destitute refugees, who are still sheltered gratis.

A committee has been set up to deal both with the allocation of new rooms as they become ready for occupation and the readjustment of the families already installed. The method on which this committee is proceeding with regard to the allocation of new rooms is to clear systematically the schools and other public buildings in Athens which are occupied by refugees. The Ministries of Education and of Public Assistance are consulted on this question and indicate to the Commission which building shall be cleared first. Once cleared, the building is cleared and re-appropriated by the governmental or municipal authorities to the purpose for which it was originally intended. A certain proportion of the new rooms, however, are reserved to be allotted to destitute refugee families who are not quartered in public buildings and whose case is considered specially worthy of assistance.

It has been decided to construct an urban settlement at Salonica, consisting of 2,000 living-rooms capable of accommodating 2,000 families, but arranged in groups of two so as to be suitable for one-half that number of families at some future date when the demand for accommodation is lessened. A suitable site with an adequate water-supply and facilities for drainage and communications has been selected, and steps are being taken to put the construction in hand forthwith.

It has been decided to erect houses for urban refugees throughout the smaller towns and larger villages of Greece generally. The number of houses in each case will be determined in consultation with the local authorities, and depends upon the capacity of the place for economic absorption, upon the facilities for obtaining land and building and other local considerations; it is estimated that some 7,000 living-rooms will be required, and information is being collected and all necessary preliminary steps being taken to enable the Commission to put this programme into execution as soon as funds are available.

In Western Thrace, contracts have been signed for 3,900 rooms in masonry and cement blocks at the following places :

1,400	rooms at	Komotini (Gumuldgina)
1,400	»	» Xanthi
550	»	» Didimotychon (Demotica)
550	»	» Alexandroupolis (Dedeagatch)

The total cost for these settlements will amount to approximately 50,000,000 drachmæ.

Although it was feared by many that there would be outbreaks of epidemic disease during the summer months among the crowded populations massed in the large agglomerations of houses composing the Athens and Piræus settlements, the health of these populations has been extremely satisfactory and appears, as far as local health statistics are available to show, to be quite up to, if not to surpass, that of the town populations of Athens and Piræus.

#### INDUSTRIES.

Two more lots of land have been sold at the Athens Urban Settlements to carpet manufacturers for the purpose of building factories, containing 40 looms each, and the sale of another plot to a factory which is starting with 20 looms, but expects to extend its operations considerably, is on the verge of completion.

The co-operative scheme of carpet-making at Nea Ionia, mentioned in the last Report, is under way, but it is too early yet to know what degree of success it will attain. The sum of 340,000 drachmæ has been handed over to Dr. Kennedy, the Director of the "Save the Children" Fund, who is acting as supervisor, and who has obtained satisfactory assurances that the products can be sold, and the experiment will be watched with great interest, as it may, if successful, lead to an extension of the co-operative method and an increase in home industries among the many skilled carpet-makers and weavers to be found among the refugees.

Among the agricultural settlements it is necessary to have a certain proportion of tradesmen and artisans—smiths, wheelwrights, carpenters and the like—and to furnish these persons with the implements of their trade, the Commission has allocated the sum of £53,000, and thereby the outfits and tools necessary to each trade are provided in each agricultural settlement where there are skilled workmen and where there is scope for the exercise of their trades. The financial responsibility for this expenditure is taken by the settlement co-operatively as in the case of the issue of cattle and agricultural implements.

The issue of tools and outfits to tradesmen who do not form part of a community of agricultural settlers does not offer the same facilities for eventual repayments, and this need is being met by the grant by the Hellenic Government of a sum of 50,000,000 drachmæ which will be expended by the National Bank of Greece in loans to urban tradesmen.

#### FURTHER ARRIVALS

During the last three months 40,000 refugees have arrived in Greece, transported under the ægis of the Mixed Commission for the Exchange of Populations. Another 15,000 are actually on board ship, or on the point of embarkation, on their way hither; and it is estimated by the Mixed Commission that a further 90,000 will be landed before December.

#### CHANGES IN PERSONNEL

The Chairman, Mr. Morgenthau, left for the United States on May 10th and returned on August 13th. Dr. Bonzon was appointed as Acting Chairman during the temporary absence of Mr. Campbell, arrived in July, filled that post until the return of Mr. Morgenthau, and will continue to fill it during the absence of the latter at Geneva during September.

M. Argyropoulos resigned in June owing to his appointment as Director-General at the Ministry of Foreign Affairs; his withdrawal was much regretted by the Commission, who value highly the services he has performed and who appreciate that his organising ability, his knowledge of Greek administrative methods and his charming personality will be difficult to replace.

M. Negroponto, who worked for the Commission during many months voluntarily and without financial remuneration, was obliged for reasons of health and the need of repose, to withdraw in July. His work as Director of the Urban Settlement was of great value to the Commission.

The work of the staff, both those employed directly by the Commission and those coming under the Commission's orders while still remaining governmental servants, has been satisfactory. It is, of course, of unequal quality, but steady efforts are being made to improve it by the re-organisation of cadres and replacement of personnel.



## PROPOSED AMENDMENTS TO THE PROTOCOL AND ORGANIC STATUTES.

The Hellenic Government is submitting to the League of Nations certain amendments calculated, on the one hand, to give more elasticity to the conditions under which the Commission can accept lands for the settlement of refugees and can expend its funds, and, on the other hand, to retain the safeguards and securities envisaged by the original terms.

### CONCLUDING REMARKS.

It is our pleasant duty to report that most of the refugees are now recognising the effectiveness of the work of our Commission and are beginning to appreciate what is being done for them. The 500,000 that are still awaiting help are clamouring constantly for prompt assistance.

In addition we desire to record that the various changes of cabinets which have taken place since our inauguration have had singularly little embarrassing effect upon our work. Each successive ministry has vied with the last in recognising our status in the fullest and most cordial manner, in tendering practical help and in assisting in carrying out our efforts.

There prevails a definite conviction that our Commission is entirely outside of politics and a fixed and popular *non-political* department.

From our experience up to date, we can assert positively that this tremendous and what seemed impossible problem—the peaceful orderly absorption of about one and a-half million impoverished immigrants—can be solved, but it requires ten million pounds to do so.

The three millions being expended under our supervision—in addition to the £2,000,000 spent by the Hellenic Government prior to our appointment—has made a startling change in the condition of these unfortunate people.

We hope that with the issue of the loan contemplated under the Protocols the work begun under the auspices of the League of Nations may be prosecuted. Greece requires all the help she is asking from the League of Nations: the stamp of its approval and its moral support to apply to the public for a well-guaranteed loan to enable her to spend just fifty pounds on each refugee family.

The League of Nations has successfully undertaken so many diverse problems, none of which equal in human interest this demonstration, that, through very slight outside guiding and the granting of a well-justified financial credit to a member of the family of nations, this great calamity can be so treated that it will not alone help to make Greece economically independent but enable her to contribute her full share towards maintaining social stability and peace in the Balkans.

HENRY MORGENTHAU,  
*Chairman.*

## VII. — Report of the Financial Committee to the Council in 1924 on the proposed Amendments to the Protocol of September 29th, 1923, concerning the Settlement of the Greek Refugees.

[C 490-1924.]

Geneva, September 12th, 1924.

On June 14th, 1924, the Council of the League of Nations approved the various resolutions passed in London by the Committee appointed by it to deal with questions concerning the plan for the settlement of the refugees. The Council was of opinion that the experience gained in the course of the first year of the Refugee Settlement Commission's work might point to the desirability of making certain modifications in the Protocol. The Greek representative requested the Council's authorisation to enter into direct negotiations, should need occur, with the Greek Committee of the Council and the Financial Committee, with a view to arriving at an agreement in regard to the modifications to be made either in the Protocol or the Statutes of the Refugee Settlement Commission.

At its meeting in June 1924, a first exchange of views took place between the Financial Committee and M. Argyropoulos, the representative of the Greek Government. The Financial Committee forwarded a questionnaire to the Greek Government in order that various points in regard to the financial situation might be made clear. The replies to the questionnaire were forwarded at the same time to the Secretariat of the Financial

Committee at Geneva, to the Refugee Settlement Commission and to the International Financial Commission at Athens. The Financial Committee was also in possession, at the beginning of its present meeting, of the written replies of the Greek Government. It was able further to consult Mr. Morgenthau, Chairman, and Mr. Campbell, member, of the Refugee Settlement Commission. Lastly, M. Tsouderos, Minister of Finance, and M. Andreades, Greek delegates to the Fifth Assembly, laid before the Financial Committee the desiderata of the Government, and discussed possible modifications.

Experience has led the Greek Government to request alterations of a technical and financial character. In the various memoranda submitted to the Committee, the Government sets forth the following reasons for its requests.

From the technical point of view, certain provisions of the Protocol referring to the *lands* allocated to the refugees appeared insufficiently elastic; apart from lands of which the Refugee Settlement Commission had unquestionably acquired possession, the Greek Government might present to the Commission certain lands, held on perpetual or on long leases, or requisitioned, or expropriated, by the Hellenic Government. The legal title to such lands did not coincide exactly with the title provided for in the Protocol, but none the less the use of such lands would be extremely advantageous to certain classes of refugees. Further, when the Refugee Settlement Commission had established whole suburbs and villages, it was proposed that it should undertake, for instance, the erection of schools or hospitals; such work, however, was not covered by the exact terms of the Statutes or the Protocol, as it was not itself productive in character.

From the financial point of view, the Greek Government submitted that the maximum of six millions sterling provided for in Article IV of the Protocol for the Refugees Loan was insufficient. The work of settlement, the cost of which could not be accurately estimated in 1923, is now in full process of development. The prospects are excellent, provided that the work is done on a sufficiently large scale and that consequently the too-narrow limits laid down in the Protocol are extended.

Furthermore, the Greek delegation wishes modifications to be made as regards the strict application of Article VI of the Protocol as it stands at present.

In consequence of these discussions, the Greek Government has put forward proposals in amendment of Articles I, II, IV, V and VI of the Protocol and of Articles XII and XV of the Statutes. The Financial Committee has accepted in principle all the requests of the Greek Government.

As regards the technical alterations (Articles I and II of the Protocol and Articles XII and XV of the Statutes), the Committee considers that not only do they not compromise the working of the Commission but are of a nature materially to assist its activities. Furthermore, the measures in question are principally matters for the Settlement Commission itself, which, through its directors, Mr. Morgenthau and Mr. Campbell, has given its full consent to the Greek Government's proposals.

The first of the financial alterations refers to Article IV of the Protocol. After examining the situation as a whole in the light both of the information supplied by the Greek Government and of the statements made by the Settlement Commission, the Financial Committee has decided that there is no objection to the maximum figure of six millions sterling being increased to ten millions. In guarantee of the proposed international loan, the Greek Government will offer various securities, the total value of which the Financial Committee considers to be sufficient to cover a loan of ten millions sterling. The new factors, as compared with the situation in 1923, are the following :

1. The Greek Government offers to place under the control of the International Financial Commission not only the revenues enumerated in Schedule 1 of the Protocol but also those in Schedule 2. The total value of these revenues appears to be in the neighbourhood of 700 million drachmæ per annum.

2. In regard to the value of the land, which it was impossible to estimate at the beginning of 1923, we now have certain general estimates from an authorised source, from which we may take it that, including the buildings and various accessories, this immovable property guarantee (which would be rather difficult to realise, it is true) represents a value of about ten millions sterling.

The increase in the maximum of the loan from six to ten millions should involve, in the opinion of the Financial Committee, an increase in the share of the Greek financial groups. In the Protocol, this share had been fixed at one million sterling. It had been considered more equitable to specify not a fixed sum but an amount proportional to the total of the loan. The Greek Government agreed that this proportion should be at least 25 per cent.

In this connection, the Committee wishes to emphasise the following sentence in Article IV :

"The Government will arrange for the subscription by Greek banks or financial groups of a block equivalent to . . ."

This sentence does not refer to the Greek National Bank. The Financial Committee considers that the burden of the loan should not fall either directly or indirectly on the Bank of Issue.

A detailed discussion took place on the possibility of relaxing the severity of Article VI of the Protocol. The Financial Committee wishes that every precaution should be taken to ensure the stability of the budgetary situation and of the drachma, and to prevent the issue of certain loans compromising the value of the securities assigned to the Refugees Loan. It has, however, taken into account the fact that the Protocol of Geneva, which was signed in October 1923 by the old Government, was ratified by Parliament on June 7th, 1924. The general financial situation of Greece appears, in certain respects, to have improved. Moreover, as the text of Article VI now stands, the Government might be hampered if it had to give public revenues as security for a loan contracted for the purpose of improving the economic situation of the country.

In view of these various considerations, the Financial Committee has felt able to agree to the attenuation of some of the measures laid down in Article VI. While asking the Greek Government not to create any charges on its revenues, except for productive purposes or for carrying out its obligations under the Treaties of Peace, the Financial Committee considers that for these purposes the Greek Government may be left free to create a charge of inferior rank upon the revenues assigned to the Refugees Loan; as regards other revenues, the Government undertakes not to create charges thereon unless the International Financial Commission shall have recognised that the nature of the revenues on which it is proposed to create a charge is such as not to compromise the yield of the revenues assigned to the Refugees Loan.

The Financial Committee therefore asks the Council to approve the Annex to the present report, containing technical and financial alterations in the Protocol <sup>(1)</sup> which have been agreed to by M. Tsouderos. If the Council approves them, the Protocol will be amended in accordance with the same procedure as was employed in 1923 (signature by the Greek Government and Declarations by the British, French and Italian Governments).

## ANNEX TO THE REPORT OF THE FINANCIAL COMMITTEE ON THE MODIFICATIONS TO THE PROTOCOL OF SEPTEMBER 29th, 1923, RELATING TO THE SETTLEMENT OF GREEK REFUGEES.

### A. Technical Alterations.

#### 1. — IN THE PROTOCOL.

##### *Old Text.*

##### *New Text.*

##### ART. I.

##### ART. I.

The Hellenic Government undertakes to establish a Refugee Settlement Commission to possess the constitution, capacity and functions set out in the Organic Statutes which form an annex to the present Protocol and are considered as being an integral part thereof. The ratification of this Protocol and of the Annex by Greece shall constitute an assurance that the Hellenic Government has taken the measures required by the internal law of the country to establish the Commission and to ensure to it during the period of its existence the prescribed capacity and powers. Particulars concerning these measures shall forthwith be communicated to the Council of the League and no alteration in them shall be made without the Council's consent.

The Hellenic Government undertakes to establish a Refugee Settlement Commission to possess the constitution, capacity and functions set out in the Organic Statutes which form an annex to the present Protocol and are considered as being an integral part thereof. The ratification of this Protocol and of the Annex by Greece shall constitute an assurance that the Hellenic Government has taken the measures required by the internal law of the country to establish the Commission and to ensure to it during the period of its existence the prescribed capacity and powers. Particulars concerning these measures shall forthwith be communicated to the Council of the League, and no alterations shall be made without the consent of the Settlement Commission. Any alterations which may be made shall be immediately communicated to the Council.

<sup>(1)</sup> *Not by Secretariat.* — The amendments referred to above appear in the final text of the following Protocol (Doc. IX)

*Old Text.*

## ART. II

The Hellenic Government undertakes to assign to the Refugee Settlement Commission, to be held by it as its absolute property for the purposes contemplated by its Statutes, an amount of land of not less than 500,000 hectares approved by the Commission as suitable for the said purposes in regard to both its character and situation.

*New Text*

## ART. II.

The Hellenic Government undertakes to assign to the Refugee Settlement Commission, to be held by it as its absolute property for the purposes contemplated by its Statutes, an amount of land of not less than 500,000 hectares approved by the Commission as suitable for the said purposes in regard to both its character and situation.

Nevertheless, the land shall continue to be subject to ordinary servitudes, whether servitudes in favour of adjacent land or servitudes of user, and to obligations arising out of rights acquired by metayer tenants and similar holders; furthermore, the settlement of the refugees on the land shall not preclude the settlement of metayer tenants. But it is understood that land used in this way shall not be included in the 500,000 hectares and that the settlement of metayer tenants shall not be at the expense of the Settlement Commission, which may, however, at the request of the Hellenic Government, co-operate with the latter for the purposes of such settlement.

## 2. — IN THE STATUTES

## ART. XII.

The functions of the Refugee Settlement Commission shall be, by means of the lands assigned to it, the funds placed at its disposal and its own income, to promote the establishment of refugees in productive work either upon the land or otherwise in Greece.

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The functions of the Refugee Settlement Commission shall be, by means of the lands assigned to it, the funds placed at its disposal and its own income, to promote the establishment of refugees in productive work either upon the land or otherwise in Greece.

Nevertheless, the Refugee Settlement Commission may settle refugees on land of Turks subject to exchange which may be assigned to it as soon as it shall enter into actual possession of this land, and even before it has become the *de jure* owner thereof. As soon as it is free to dispose of this land and is in a position to transfer the rights of ownership, the Hellenic Government solemnly undertakes to give *de jure* ownership to the Settlement Commission.

The Settlement Commission may also proceed to settle refugees on land requisitioned, or in process of expropriation, before the formalities required by law have been fully complied with, provided that the Hellenic Government solemnly undertakes to place the Commission immediately in actual possession and to give it *de jure* ownership under the conditions laid down in Article II of the Protocol as soon as the formalities have been fully complied with.

The Settlement Commission is also authorised to settle refugees on land taken on lease by the Hellenic Government

Old Text

New Text.

ART. XII. (continued).

when the lease is a perpetual one and has been transferred to the Commission.

Lastly, in exceptional circumstances the Commission may settle refugees on land of which it does not possess the ownership, but which is suitable for the settlement of refugees, and in respect of which the Commission considers that it has acquired sufficient rights to ensure a permanent settlement of the refugees and adequate security for the sums which it proposes to spend on this land.

ART. XV.

The income and funds of the Refugee Settlement Commission may not be expended on the relief of distress or other charitable purposes as distinct from the settlement in productive work of the persons assisted. All assistance given shall be given on terms involving ultimate repayment

ART. XV.

The income and funds of the Refugee Settlement Commission may not be expended on the relief of distress or for charitable purposes as distinct from the settlement in productive work of the persons assisted.

Nevertheless, when the Commission establishes settlements on a large scale, *e.g.*, when it creates suburbs or villages, it may make such disbursements of a general or social nature as may serve to promote the development of these settlements and improve the health conditions of the population.

All assistance given shall be given on terms involving ultimate repayment.

B. Financial Alterations.

ART. IV.

The Hellenic Government will, as soon as possible, raise a loan or loans to an amount not falling below the equivalent of three million pounds sterling, nor exceeding the equivalent of six million pounds sterling, and will arrange for the subscription by Greek banks or financial groups of not less than the equivalent of one million pounds sterling of such loan or loans. The issuing houses shall place the whole proceeds of the loan or loans directly under the disposal of the Refugee Settlement Commission for the purposes specified in its Organic Statutes and for the repayment, if necessary, of any advances

ART. IV.

The Hellenic Government will, as soon as possible, raise a loan or loans up to a net total not exceeding ten million sterling, and will arrange for the subscription by Greek banks or financial groups of a block equivalent to at least 25 per cent of such loan or loans.

The issuing houses shall place the whole proceeds of the loan or loans directly under the disposal of the Refugee Settlement Commission for the purposes specified in its Organic Statutes and for the repayment, if necessary, of any advances.

ART V.

for example, those indicated in Schedule I.

*Schedule 1.* — The revenues referred to in Article V of the Protocol under the number 1 are the following :

(1) The monopolies of New Greece, *i.e.*, salt, matches, playing-cards and cigarette paper;

ART. V.

for example, those indicated in the annexed schedule.

*Annexed Schedule.* — The revenues specially referred to in Article V of the Protocol under the number 1 are the following :

(1) The monopolies of New Greece, *i.e.*, salt, matches, playing-cards and cigarette paper;

*Old Text.*ART. V (*continued*).

(2) The Customs receipts received at the Customs of Canea, Candia, Samos, Chios, Mitylene, Syra.

*Schedule II.* — The revenues specially referred to in Article VI of the Protocol are the following :

(1) The surplus revenues already assigned to the International Financial Commission;

(2) The tobacco duty in New Greece;

(3) The stamp duty in New Greece;

(4) The duty on alcohol in the whole of Greece;

(5) Any of the revenues or any surplus of the revenues mentioned in Schedule I not utilised for the service of loans under the terms of Article V of the Protocol.

## ART. VI.

The Hellenic Government undertakes not to create any charges by way of security, without the consent of the International Financial Commission, upon its other revenues, and, in particular, those specified in Schedule II, except for the purpose of meeting its external obligations or of obtaining loans destined exclusively to improve the financial position of Greece, so as to prevent depreciation of the exchange value of Greek currency and a consequent depreciation of the value of the revenues assigned under Article V. It further undertakes to make immediately and to persist in making every effort to secure as soon as possible a complete equilibrium between the ordinary receipts and the expenses of the State.

*New Text.*ART. V (*continued*).

(2) The Customs receipts received at the Customs of Canea, Candia, Samos, Chios, Mitylene, Syra;

(3) The tobacco duty in New Greece;

(4) The stamp duty in New Greece;

(5) The duty on alcohol in the whole of Greece;

(6) Any surplus of the revenues already assigned to the International Financial Commission, subject always to existing charges on such surplus.

(Schedule II deleted.)

## ART. VI.

The Greek Government undertakes not to create any charges on its revenues by way of security for any loans not intended either for productive purposes or for carrying out its obligations under the Treaties of Peace. Should the case arise of a loan for one of these objects, then :

(a) The Greek Government may create a charge of inferior rank upon the revenues or surplus revenues assigned to the refugees loan in conformity with Article V, paragraph 2;

(b) As regards revenues other than those assigned to the Refugees Loan in conformity with Article V, paragraph 2, the Hellenic Government undertakes not to create charges thereon unless the International Financial Commission shall have recognised that the nature of the revenues on which it is proposed to create a charge is such as not to compromise the yield of the revenues assigned to the Refugees Loan.

The Greek Government further undertakes immediately to make and to persist in making every effort to secure as soon as possible a complete equilibrium between the ordinary receipts and the expenses of the State.

## VIII. — Resolutions adopted by the Council and the Fifth Assembly of the League of Nations, September 1924.

### A. Resolution adopted by the Council on September 19th, 1924.

The Council of the League of Nations :

Having noted the draft amendments to the Protocol and Statutes of the Greek Refugee Settlement Commission of September 29th, 1923, proposed by the Greek Govern-

ment in agreement with the Financial Committee and the Settlement Commission and annexed to the report of the Financial Committee of September 12th, 1924 :

Approves these amendments;

Consents to the signature by the Greek Government of an additional act amending the said Protocol and Statutes; and

Expresses the desire that the three Governments which signed in 1923 a declaration regarding the duties of the International Financial Commission should give to their representatives any supplementary instructions required by the additional act.

#### **B. Resolution adopted by the Fifth Assembly of the League of Nations on September 25th, 1924.**

The Assembly :

Learns with great satisfaction the progress made during the last year in the difficult and important task of settling the Greek refugees in productive employment.

It notes the establishment and successful working of the Greek Refugee Settlement Commission; the arrangements made to finance the work of the past year through temporary advances amounting to three millions sterling; the allocation of suitable land by the Greek Government; the housing and establishment upon the land and, to a smaller extent, in industry of a large proportion of the refugees.

The Assembly further notes with satisfaction the improvement in the stability of Greek political conditions; the improved economic position; and the maintenance of a steady value of the Greek currency.

It is glad to learn that the Council, on the advice of the Financial Committee, considers that the time has now arrived when the whole scheme may be placed upon a definite financial basis by the issue of the long-term loan; and that, in view of the above favourable circumstances; the land and the assigned revenues proposed in the Protocol afford a sufficient security for the total sum of ten millions sterling required to complete the work of establishing all the suitable refugees.

The Assembly expresses in conclusion the earnest hope that the loan may be successfully issued and that the whole of the undertaking, so vital to the economic and political stability of Greece, may be carried through to a successful conclusion.

### **IX. — Protocol relating to the Settlement of Refugees in Greece and the Creation for this Purpose of a Refugee Settlement Commission.**

*Text, including the modifications, signed in Geneva by M. Tsouderos on September 19th, 1924, to the original text signed in Geneva by M. Michalakopoulos on September 29th, 1923.*

*The Hellenic Parliament ratified the original text on June 7th, 1924, and the additional Act on October 24th, 1924.*

#### **A. Protocol.**

I. The Hellenic Government undertakes to establish a Refugee Settlement Commission, to possess the constitution, capacity and functions set out in the Organic Statutes which form an annex to the present Protocol and are considered as being an integral part thereof. The ratification of this Protocol and of the Annex by Greece shall constitute an assurance that the Hellenic Government has taken the measures required by the internal law of the country to establish the Commission and to ensure to it during the period of its existence the prescribed capacity and powers. Particulars concerning these measures shall forthwith be communicated to the Council of the League, and no alterations shall be made without the consent of the Settlement Commission. Any alterations which may be made shall be immediately communicated to the Council.

II. The Hellenic Government undertakes to assign to the Refugee Settlement Commission, to be held by it as its absolute property for the purposes contemplated by its Statutes, an amount of land of not less than 500,000 hectares approved by the Commission as suitable for the said purposes in regard to both its character and situation.

Nevertheless, the land shall continue to be subject to ordinary servitudes, whether servitudes in favour of adjacent land or servitudes of user, and to obligations arising out of rights acquired by metayer tenants and similar holders; furthermore, the settlement of the refugees on the land shall not preclude the settlement of metayer tenants.

But it is understood that land used in this way shall not be included in the 500,000 hectares and that the settlement of metayer tenants shall not be at the expense of the Settlement Commission, which may, however, at the request of the Hellenic Government, co-operate with the latter for the purposes of such settlement.

III. The Hellenic Government will secure that any advances which have been obtained by the National Bank of Greece, in connection with the Refugee Settlement Commission's foundation, for the purpose of the establishment of refugees in productive work in Greece, shall be forthwith placed at the disposal of the Commission.

IV. The Hellenic Government will, as soon as possible, raise a loan or loans up to a net total not exceeding ten million sterling, and will arrange for the subscription by Greek banks or financial groups of a block equivalent to at least 25 per cent of such loan or loans.

The issuing houses shall place the whole proceeds of the loan or loans directly under the disposal of the Refugee Settlement Commission for the purposes specified in its Organic Statutes, and for the repayment, if necessary, of any advances.

V. The service of the loans to be raised in pursuance of Article IV shall be assured in the first instance by the International Financial Commission established by the Law on the International Control of February 26th, 1898 (in accordance with the consent given by the Governments at present represented on that Commission by the Declaration annexed to this Protocol) out of certain public Greek revenues in accordance with the following provisions :

1. Such revenues and surplus revenues as may be agreed upon between prospective lenders and the Hellenic Government (for example, those indicated in the annexed schedule) shall be assigned to and placed under the control of the International Financial Commission, and shall be collected and paid to that Commission.

2. The revenues and surplus revenues above mentioned shall, so far as is considered necessary, be held and applied by the International Financial Commission for the purpose of meeting the service of loans raised in accordance with Article IV. The service of the loans shall also be a first charge upon the property and income of the Refugee Settlement Commission.

VI. The Greek Government undertakes not to create any charges on its revenues by way of security for any loans not intended either for productive purposes or for carrying out its obligations under the Treaties of Peace. Should the case arise of a loan for one of these objects, then :

(a) The Greek Government may create a charge of inferior rank upon the revenues or surplus revenues assigned to the Refugees Loan in conformity with Article V, paragraph 2;

(b) As regards revenues other than those assigned to the Refugees Loan in conformity with Article V, paragraph 2, the Hellenic Government undertakes not to create charges thereon unless the International Financial Commission shall have recognised that the nature of the revenues on which it is proposed to create a charge is such as not to compromise the yield of the revenues assigned to the Refugees Loan.

The Greek Government further undertakes immediately to make and to persist in making every effort to secure as soon as possible a complete equilibrium between the ordinary receipts and the expenses of the State.

VII. The Hellenic Government undertakes to exempt the Refugees Settlement Commission from all taxes and charges, whether general or local, in respect of all operations and property of the Commission and, in particular, of the lands assigned to it or any transactions affecting such lands; and to pay in respect of each financial year to the Commission (or to the International Financial Commission if the Refugee Settlement Commission is dissolved) the total sum at which the occupiers of land originally assigned to the Refugee Settlement Commission and still continuing to be its property (or, if the Refugee Settlement Commission is dissolved, held at the disposal of the International Financial Commission pursuant to arrangements made in connection with such dissolution) are assessed for taxation upon such lands for such year, until the loans raised in pursuance of Article IV are completely refunded.

VIII. The reimbursement of advances made to refugees by the Refugee Settlement Commission shall have priority over taxation or any other claim.

IX. The Hellenic Government, accepting the provisions contained in the Organic Statutes of the Refugee Settlement Commission under which the Council of the League of Nations may enquire into and exercise a supervision over the activities of the Commission, undertakes to facilitate any enquiries which the Council may direct, and to accept and give effect to the Council's decisions taken thereupon in so far as they require action by the Hellenic Government.



X. Nothing in this Protocol or the Organic Statutes thereto annexed shall change in any way the obligations of the Hellenic Government under the Greek-Turkish Exchange of Populations Convention signed at Lausanne on January 30th, 1923, or under the Greco-Bulgarian Reciprocal Emigration Convention signed at Neuilly-sur-Seine on November 27th, 1919.

XI. The obligations assumed by the Hellenic Government under this Protocol shall cease as soon as the Refugee Settlement Commission shall have been dissolved and the loans raised in accordance with Article IV of this Protocol have been repaid in full.

XII. In the event of any difference as to the interpretation of this Protocol, the opinion of the Council of the League of Nations will be accepted.

XIII. In the event of any difference between the French and English texts of this Protocol, the English shall be considered to be the authentic text.

XIV. This Protocol shall be ratified and the ratification shall be deposited at the Secretariat of the League of Nations as soon as possible, and in any case not later than October 15th, 1923. It shall enter into force on the date of deposit of ratification.

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*Annexed Schedule.*

The revenues specially referred to in Article V of the Protocol under the number I are the following :

- (1) The monopolies of New Greece, *i.e.*, salt, matches, playing-cards and cigarette paper;
- (2) The Customs receipts received at the Customs of Canea, Candia, Samos, Chios, Mitylene, Syra;
- (3) The tobacco duty in New Greece;
- (4) The stamp duty in New Greece;
- (5) The duty on alcohol in the whole of Greece;
- (6) Any surplus of the revenues already assigned to the International Financial Commission, subject always to existing charges on such surplus.

**B. Organic Statutes of the Greek Refugee Settlement Commission.**

I. There is established in Greece, domiciled at such place as it shall select after its constitution, a Refugee Settlement Commission invested with the capacity and powers and entrusted with the duties specified hereinafter.

II. The Refugee Settlement Commission is established as a legal person competent to sue and be sued in its own name, to hold and alienate property of all kinds, and generally to perform any acts which can be performed by a corporation possessing full legal personality under the law of Greece.

III. The Refugee Settlement Commission shall not be dependent upon any Greek executive or administrative authority, but shall be completely autonomous in the exercise of its functions.

IV. The Refugee Settlement Commission shall be composed of four members. Two members shall be appointed by the Hellenic Government, with the approval of the Council of the League of Nations; one member shall be appointed by the Council of the League of Nations; the fourth member, who shall be the Chairman of the Commission, shall be a national of the United States of America and a person representative of relief organisations, and shall be appointed in such method as the Council of the League of Nations shall from time to time determine. The member appointed by the Council and the Chairman of the Commission shall enjoy diplomatic privileges and immunities in Greece.

V. The members of the Refugee Settlement Commission appointed by the Hellenic Government may at any time be replaced by that Government with the consent of the Council of the League of Nations; the other two members may only be replaced by the Council of the League of Nations.

VI. The salaries of the two members of the Refugee Settlement Commission appointed by the Hellenic Government shall be fixed by that Government; the salaries of the other two members shall be fixed by the Council of the League of Nations. The salaries of all members shall be payable out of the funds of the Commission, but the Hellenic Government shall refund to the Commission the amount of the two salaries fixed by it.

VII. The first appointments of members of the *Refugee Settlement Commission* shall be made not later than September 30th, 1923. Thereafter, if any vacancy on the Commission is not filled by the competent authorities, the Council of the League of Nations shall be competent forthwith to appoint a person to act and to exercise the full powers of the member whom he succeeds until such time as the competent appointing authority shall itself make an appointment. The Commission shall enter upon its functions as soon as all four members have been appointed. In the event of temporary absence, the absent member shall designate a substitute who shall have the right to vote, failing which the Chairman or the member acting as Chairman shall designate such a substitute. In the event of the absence of the Chairman, the chair shall be taken by the member appointed by the Council of the League of Nations, who shall have the same voting rights as the Chairman. The presence of three members or their substitutes, including always the two members not appointed by the Hellenic Government or their duly appointed substitutes, shall be necessary to form a quorum and validate decisions of the Settlement Commission.

VIII. The Commission shall take all its decisions by a majority vote of the members present at the meeting. In the event of the votes being equally divided, the Chairman shall have a second vote. Subject to any provisions in these statutes, the Settlement Commission shall establish its own Rules of Procedure.

IX. The Chairman, or in his absence his substitute, will convene all meetings of the Settlement Commission, sign all documents and correspondence and be responsible for the execution of the decisions of the Settlement Commission.

X. The Refugee Settlement Commission shall have power to appoint and dismiss such personnel, either Greek or (when necessary for special reasons) of foreign nationality, as it may require for the discharge of its functions. The work of the Commission will be carried on as far as possible with the assistance of Greek central and local administrative authorities and of private organisations.

XI. The expenses of the Commission shall be payable out of the funds placed at its disposal or out of its income.

XII. The functions of the Refugee Settlement Commission shall be, by means of the lands assigned to it, the funds placed at its disposal and its own income, to promote the establishment of refugees in productive work either upon the land or otherwise in Greece.

Nevertheless, the Refugee Settlement Commission may settle refugees on land of Turks subject to exchange which may be assigned to it as soon as it shall enter into actual possession of this land, and even before it has become the *de jure* owner thereof. As soon as it is free to dispose of this land and is in a position to transfer the rights of ownership, the Hellenic Government solemnly undertakes to give *de jure* ownership to the Settlement Commission.

The Settlement Commission may also proceed to settle refugees on land requisitioned, or in process of expropriation, before the formalities required by law have been fully complied with, provided that the Hellenic Government solemnly undertakes to place the Commission immediately in actual possession and to give it *de jure* ownership under the conditions laid down in Article II of the Protocol as soon as the formalities have been fully complied with.

The Settlement Commission is also authorised to settle refugees on land taken on lease by the Hellenic Government when the lease is a perpetual one and has been transferred to the Commission.

Lastly, in exceptional circumstances, the Commission may settle refugees on land of which it does not possess the ownership, but which is suitable for the settlement of refugees, and in respect of which the Commission considers that it has acquired sufficient rights to ensure a permanent settlement of the refugees and adequate security for the sums which it proposes to spend on this land.

XIII. The Refugee Settlement Commission shall receive and hold in full ownership the lands which the Hellenic Government undertakes to transfer to it under the Protocol signed on behalf of Greece at Geneva on September 29th, 1923, and shall apply such lands for the purpose specified in Article XII above. The lands shall primarily be applied to the settlement of refugees thereon, either as tenants or as owners, on the terms fixed by the Commission, but the Commission may, in its discretion, sell land held by it to persons not refugees, provided that any sums raised by the Commission from the sale of such land shall be paid into a special account and applied, by way of a sinking fund, to the redemption of the loan or loans referred to in Article XVI of these Statutes. The Commission shall sell land if such sale becomes necessary under the provisions of Article XVI.

Sales of land to persons not possessing Greek nationality shall require the consent of the Hellenic Government, except in the case contemplated by the last sentence of the preceding paragraph.

XIV. The Refugee Settlement Commission shall receive and apply, for the purpose specified in Article XII above, any advances obtained by the National Bank of Greece for the purposes of establishment of refugees in productive work in Greece, and the proceeds of the loans which the Hellenic Government undertakes to raise and pay over to the Commission under the Protocol signed on behalf of Greece at Geneva on September 29th, 1923.

XV. The income and funds of the Refugee Settlement Commission may not be expended on the relief of distress or for charitable purposes as distinct from the settlement in productive work of the persons assisted.

Nevertheless, when the Commission establishes settlements on a large scale, *e.g.*, when it creates suburbs or villages, it may make such disbursements of a general or social nature as may serve to promote the development of these settlements and improve the health conditions of the population.

All assistance given shall be given on terms involving ultimate repayment.

XVI. In event of the revenues assigned by the Hellenic Government to the services of the loan in accordance with the Protocol signed at Geneva on September 29th, 1923, being insufficient, the International Financial Commission shall call upon the Settlement Commission to pay out of its income or other funds, or if necessary from the realisation of its property, such sums as may be necessary to meet any deficit on the service of the loan. Further, it shall at all times be the duty of the Settlement Commission to pay to the International Financial Commission for application to the service of the loan any sums which the Settlement Commission may find possible to contribute for this purpose out of its current income without prejudicing the effective performance of its functions. In the event of the International Financial Commission having in its possession sums exceeding the amounts necessary for the service of the loan the Financial Commission will refund these sums to the Hellenic Government.

XVII. The Refugee Settlement Commission shall communicate every three months a report upon its operations to the Hellenic Government and to the Council of the League of Nations and shall simultaneously publish such report. The Council of the League of Nations, acting, if need be, by a majority vote, shall have the right to consider the reports of the Commission and to take such measures thereon as it may consider proper.

The Commission shall annually publish and forward to the Council of the League of Nations and to the Hellenic Government audited accounts of its income and expenditure.

XVIII. The Council of the League of Nations, acting, if need be, by a majority vote, may at any time enquire, by such method as it determines, into the manner in which the Refugee Settlement Commission is discharging its functions, and the necessary cost of such enquiries shall be payable to the Secretary-General of the League by the Commission out of the funds at the disposal of the Commission or out of its current income.

XIX. The Refugee Settlement Commission may be dissolved when, in the opinion of the Council of the League of Nations, acting if need be by a majority vote, its services are no longer required, subject to the establishment of arrangements approved by the representatives of the lenders to secure that the assets and income of the Settlement Commission are on its dissolution placed under the control and at the disposal of the International Financial Commission for the purpose of enabling the latter to meet the service of the loans (or to accelerate as far as possible the amortisation of the loans) raised by the Hellenic Government in accordance with the Protocol signed on its behalf at Geneva on September 29th, 1923, until such loans have been repaid in full.

XX. After the dissolution of the Refugee Settlement Commission and the repayment in full of the loans mentioned in Article XIX above, the balance still remaining of all assets which have belonged to the Commission shall become the absolute property of the Hellenic State.

XXI. In the event of any difference as to the interpretation of these Statutes, the opinion of the Council of the League of Nations will be accepted.

XXII. In the event of any difference between the French and English texts of these Statutes, the English shall be considered to be the authentic text.

XXIII. This Annex shall be ratified and the ratification shall be deposited at the Secretariat of the League of Nations at the same time as the ratification of the Protocol to which this Annex is attached.

## X. — Declarations signed on behalf of Great Britain, France and Italy, 1923 and 1924.

I. The undersigned, representatives of the Governments of Great Britain, France and Italy, duly authorised by their respective Governments, hereby agree that the International Financial Commission referred to in the Protocol relating to the settlement of refugees in Greece and the creation for this purpose of a Refugee Settlement Commission, which has been approved by the Council of the League of Nations and executed on behalf of the Hellenic Government, shall discharge the duties which the said Protocol contemplates shall be performed by it; and they undertake on behalf of their respective Governments that the necessary instructions will be given by these Governments to their representatives upon the said International Financial Commission.

In witness whereof, the undersigned, duly authorised for this purpose, have signed the present declaration.

Done at Geneva on the twenty-ninth day of September, One thousand nine hundred and twenty-three, in a single copy, which shall be deposited with the Secretariat of the League of Nations and shall be registered by it without delay.

Rennell RODD (Great Britain).  
DUPUY (France).  
GARBASSO (Italy).

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II. The undersigned, representatives of the Governments of France, Great Britain and Italy, duly authorised by their respective Governments, hereby undertake that the necessary instructions shall be given by the said Governments to their delegates to the International Financial Commission at Athens to take into account, in discharging the duties contemplated by the Protocol relating to the settlement of refugees in Greece and by the Statute annexed thereto, the modifications made in these instruments by the additional Act of September 19th, 1924.

In witness whereof the undersigned, duly authorised for this purpose, have signed the present declaration.

Done at Geneva on the twenty-fifth day of September, One thousand nine hundred and twenty-four, in a single copy, which shall be deposited with the Secretariat of the League of Nations and shall be registered by it without delay.

BRIAND (France).  
PARMOOR (Great Britain).  
SALANDRA (Italy).

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## XI. — Memorandum addressed to the Financial Committee on Sep- tember 18th, 1924, by M. Tsouderos, Greek Minister of Finance.

On the eve of the signature of the additional Act embodying the amendments to the Protocol of September 29th, 1923, I think it advisable to give the following details as to the securities guaranteeing the future loan. These securities are specified in the new schedule annexed to the Protocol. We are, of course, only concerned here with the public revenue assigned for that purpose, the loan being still further guaranteed as follows : by the 500,000 hectares of land handed over by the Greek Government in accordance with Article II, by the buildings erected on that land, by the taxes due from refugees and transferable to the Settlement Commission, by the refund of advances made to these refugees, and by rents due from them.

Of the public revenue to be applied in this way the greater portion is completely exempt from all charges. This applies also to monopolies in the new provinces and to the new customs receipts (Table I, A and B).

It likewise applies to the tobacco duty, the stamp duty in the new provinces and the alcohol duty throughout the whole of Greece (Table I, C, D, E).

The revenue under these headings is pledged as security for three loans, the total service of which amounts to 55,723,000 drs. (Table V). In point of fact, however, it

is only the service of item 3 of Table V that is drawn from the revenue from the tobacco duty in the new provinces, the service of the remaining two being secured by the surplus revenue derived from the taxes applied to the loans assigned to the International Financial Commission (Tables II and IV). Thus, only 29,070,000 drs. are to be deducted from this revenue (Table I, C, D, E) for the service of the 1922 5½ % loan.

It should be added that negotiations have already been entered into with the National Bank of Greece with a view to this loan being secured by other unencumbered revenues.

There only remain, therefore, the surpluses from the receipts already assigned to the International Financial Commission (Article V of the Geneva Protocol—annexed table, paragraph 6), which were previously subject to prior claims or mortgages in respect of various former loans (See Table IV).

The revenues applied to the service of the loans assigned to the International Financial Commission, the results of the last fiscal year and the estimates for next year, as well as expenses connected with the raising of these loans, are shown in Tables II and III. Discrepancies will be noticed in the figures in these tables, as well as in other tables already submitted to the League of Nations. This is due, as regards receipts, to the increase from year to year in the yield of the taxes assigned, owing to : (a) the increase in the rate of taxation and the price of monopoly goods, and (b) the increase in the population, resulting in greater consumption. Thirdly, we should add that more careful and stricter methods are now employed in the collection of customs duties and taxes generally. In regard to expenditure (service of loans) the difference is chiefly due to exchange fluctuations.

The revenue surplus is pledged to secure the other loans specified in Table IV which also gives the probable date of redemption.

Since the use of the surpluses as security for the 1922 6½ % (compulsory) loan is purely theoretical (in view of the fact that an additional 10 % tax on certain State revenues adequately secures the service of the loan), the total service of the loans in Table IV is only 186,640,000 drs. Accordingly, out of these surpluses (estimated at 858,000,000 drs. for this year, Table IV), 671,000,000 drs. remain available for the refugee loan.

Table I (annexed) has been drawn up in accordance with these estimates and figures. Receipts to a net amount of 1,213,000,000 drs. or at least £4,500,000 are assigned to the refugee loan. This sum covers the service of a loan of £10,000,000 five times over.

Geneva, September 18th, 1924.

(Signed) E. T. TSOUDEROS,  
Finance Minister,  
Greek Delegate to the Fifth Assembly  
of the League of Nations.

(Five tables are annexed to the present memorandum)

Table No. I.

RECEIPTS FOR THE LAST THREE MONTHS (MAY, JUNE, JULY, 1924) FROM THE TAXES ASSIGNED IN RESPECT OF THE REFUGEES LOAN, AND ESTIMATED RECEIPTS FOR THE FINANCIAL YEAR 1925/26.

TAXES	RECEIPTS for the last three months May to July 1924	ESTIMATED RECEIPTS for the financial year 1925/26
<i>A. Monopolies in the New Provinces.</i>		
1. Salt . . . . . Drs.	4,046,876	20,000,000
2. Matches . . . . . —	6,146,690	24,000,000
3. Playing-cards . . . . . —	308,290	2,000,000
4. Cigarette paper . . . . . —	2,169,174	9,000,000
TOTAL . . . . . Drs.	12,671,030	55,000,000
<i>B. New Customs Offices.</i>		
1. Canea . . . . . Drs.	2,732,410	10,000,000
2. Candia . . . . . —	3,230,319	11,007,000
3. Samos . . . . . —	645,959	2,700,000
4. Chios . . . . . —	2,870,513	9,200,000
5. Mitylene . . . . . —	4,354,776	16,750,000
6. Syra . . . . . —	1,595,556	6,070,000
TOTAL . . . . . Drs.	15,429,533	55,727,000
C. Tobacco in the new provinces . . . . . Drs.	57,683,659	240,000,000
D. Stamp duty in the new provinces . . . . . —	13,129,637	50,600,000
E. Alcohol throughout Greece . . . . . —	44,329,837	170,000,000
TOTAL . . . . . Drs.	115,143,133	460,600,000
Less loan service 5½ % 1922 (see Table V).		29,070,000
NET TOTAL C, D, E . . . . .		431,530,000
F. Surplus of receipts, foreseen for 1925-1926 as shown in Table II . . .		858,357,936
Service of other loans guaranteed by above surpluses, as		
shown in Table IV . . . . .		322,720,000
Less forced loan 1922 sufficiently guaranteed by special tax.		136,080,000
	186,640,000	186,640,000
NET BALANCE for F. . . . .		671,717,936
GENERAL TOTAL A, B, C, D, E, F. . . . .		1,213,974,936

**Table No. II.**

REVENUES ASSIGNED TO LOANS NOW CONTROLLED BY THE INTERNATIONAL FINANCIAL COMMISSION. FIGURES FOR 1923  
AND THE FIRST SEVEN MONTHS OF 1924 AND ESTIMATES FOR THE WHOLE OF 1924 AND 1925.

TAXES	GROSS RECEIPTS from Jan. 1st, 1923, to Decem. 31st, 1923		GROSS RECEIPTS from January 1st, 1924, to July 31st, 1924		ESTIMATES for the whole of 1924		ESTIMATES for the whole of 1925	
	Drachmas	£	Drachmas	£	Drachmas	£	Drachmas	£
Salt . . . . .	17,590,036 07	—	11,876,186 29	—	20,359,176 49	—	22,395,094 15	—
Oil . . . . .	62,720,175 50	—	44,483,901 80	—	76,258,117 30	—	83,883,920 00	—
Matches . . . . .	24,877,569 14	—	18,518,916 20	—	31,746,713 40	—	34,921,384 75	—
Playing-cards . . . . .	5,546,216 16	—	4,093,484 00	—	7,017,401 00	—	7,719,141 00	—
Cigarette paper . . . . .	12,542,792 15	—	7,703,366 50	—	13,205,771 10	—	14,526,348 20	—
Tobacco . . . . .	259,726,885 00	—	195,066,972 00	—	334,400,523 10	—	367,840,575 40	—
Stamps . . . . .	63,850,758 40	—	46,145,210 00	—	79,106,074 20	—	87,016,681 60	—
Naxos emery . . . . .	24,573,099 45	—	11,534,649 20	—	19,773,684 34	—	21,751,052 80	—
TOTAL (A) . . . . .	471,427,531 87	—	339,422,685 99	—	581,867,460 93	—	640,054,206 90	—
Customs :								
Piræus . . . . .	272,095,102 25	42,967 5 7	230,704,357 05	6,197 15 11	395,493,183 00	10,624 14 00	435,042,501 00	11,668 15 00
Laurium . . . . .	304,535 35	—	188,769 80	—	323,605 37	—	353,965 90	—
Patras . . . . .	39,366,024 70	10,682 6 8	37,431,781 15	315 18 5	64,168,767 00	541 11 00	70,585,643 00	595 13 00
Volo . . . . .	10,961,477 80	2,435 3 1	10,933,735 85	1,753 4 4	34,172,117 00	3,005 9 00	37,589,328 00	3,306 00 00
Corfu . . . . .	9,797,800 25	804 19 2	8,303,021 90	—	14,233,751 80	—	15,657,126 00	—
Salonica . . . . .	148,092,039 90	46,577 18 6	112,213,901 50	11,234 16 8	192,366,687 00	19,259 13 00	211,603,355 00	21,185 10 00
Cavalla . . . . .	9,171,178 15	764 17 6	7,621,735 90	—	13,065,832 00	—	14,372,415 00	—
(A) Brought forward . . . . .	498,788,158 40	104,232 10 6	416,397,303 15	19,501 15 4	713,823,943 17	33,431 7 00	785,206,333 90	36,755 18 00
GRAND TOTAL . . . . .	471,427,531 87	—	339,422,685 99	—	581,867,460 93	—	640,054,206 90	—
	970,215,690 27	104,232 10 6	755,819,989 14	19,501 15 4	1,295,691,404 10	33,431 7 00	1,425,260,540 80	36,755 18 00
Gross Receipts . . . . .								
Régie Company's expenditure to be deducted; estimated on the basis of the expenditure for 1923. . . . .					1,295,691,404 10		1,425,260,540 80	
Net Receipts . . . . .					54,654,000 00		60,232,000 00	
Sums required for the service of the Loans to be deducted (see Table No. III). . . . .					1,241,037,404 10		1,365,028,540 00	
Difference . . . . .					502,670,604 00		502,670,604 00	
Expenses of the International Financial Commission . . . . .					738,366,800 10		862,357,936 00	
Available surplus . . . . .					4,000,000 00		4,000,000 00	
					734,366,800 10		858,357,936 00	

Not including sums in sterling.

**Table No. III.**  
**SUMS REQUIRED FOR THE SERVICE OF THE LOANS UNDER THE CONTROL OF THE INTERNATIONAL FINANCIAL COMMISSION.**

LOANS	PRINCIPAL as at March 31st, 1924	DATE of Repay- ment	LAWS	SUMS REQUIRED FOR THE SERVICE OF THE LOANS				
				Financial year 1923/1924 (decree) (2)		Financial year 1924/1925 (according to estimates)		
				Interest	Amortisation charges	Commission charges	Difference on exchange	TOTAL
A) 1833 guaranteed by the three Powers . . . . .	44,046,011	1873		—	900,000	—	900,000	1,800,000
B) Former debts in gold values :								
1. 1881 5% . . . . .	77,861,000	(a)		2,981,593	1,935,000	16,202	4,032,795	4,032,795
2. 1884 5% . . . . .	67,768,500			2,595,196	905,310	14,107	3,514,613	3,514,613
3. 1887 4% Monopolies . . . . .	104,556,000			3,576,156	1,064,360	19,210	4,649,726	4,649,726
4. 1889 4% Rentes . . . . .	116,724,000			747,382	62,000	3,815	813,197	813,197
5. 1890 5% Piræus-Larissa . . . . .	44,518,500		BΦΠΘ of 1898	1,705,517	599,015	9,267	2,313,799	2,313,799
6. 1893 5% Funding . . . . .	7,226,000			86,750	7,304	443	94,497	94,497
C) New debts in gold values :								
1. 1898 2 1/2 % guaranteed . . . . .	92,140,000	(b)	BΦΜΒ (1898)	1,151,750	1,558,915	3,389	2,714,054	2,714,054
2. 1902 4 % Greek railway . . . . .	54,694,500	2000	BΦΝΑ (1902)	2,191,030	107,500	11,090	2,309,620	2,309,620
3. 1914 5 % (500 millions) . . . . .	316,362,500	1964	111 (1915) 605 (1915) 164 (1914)	19,660,312	2,425,000	110,426	22,195,738	22,195,738
D) Debt in paper drachmas :								
1. 1885 "Patriotic" (without interest) . . . . .	1,393,230	1963	ΑΣΟΝΤ (1885)	6,810	29,210	—	36,020	36,020
2. 1898 5 % (consolidated) . . . . .	72,570,000	1978	BΦΜΑ (1885)	3,638,250	260,000	9,746	3,907,996	3,907,996
3. 1900 5 % (Pyrgos-Meligala) . . . . .	10,825,000	1967	ΔΥΕ (1900)	543,750	65,000	3,043	611,793	611,793
E) Compulsory issue of bank-notes . . . . .	42,951,111	1946		—	2,000,000	—	2,000,000	2,000,000
F) Service of Salonica-Constantinople Railway Bonds . . . . .	142,875,000	1991	2467 of 1920	4,305,675	665,000	24,854	4,995,529	4,995,529
				Difference on exchange . . . . .				55,089,377
								559,972,382
								615,061,759 (1)

(a) Dependent on assigned revenues and rate of exchange.  
(b) Dependent on price on the Stock Exchange.  
(c) The sum of 615,061,759 drachmas should be increased by 6,015,150 drachmas representing the service due April 1st, 1923, of the 1889 4 % the 1893 5 % and the 1898 5 % loans chargeable to the financial year 1923/1924, which would be necessary to charge to the account of the financial year 1923/1924, since the date of payment, April 1st, falls in the economic year just beginning. The difference on exchange of the above-mentioned sums has been entered in the account for the 1923/1924 financial year and is accordingly included in the amount of 559,972,382.  
(d) Between the amount of 500,670,604 for the 1924/1925 financial year, and 615,061,759 for 1923/1924—more correctly, 621,976,969 (615,061,759 + 6,915,150 in Note 1)—there is a difference of about 150 millions due largely to differences in the rate of exchange (250 drachmas per £ sterling for 1924/1925 and over 250 for 1923/1924)

(1) The present schedule does not give  
1. Costs and duties of the Régie Company. . . . . 404,924,000  
2. Cost of advertisement . . . . . 84,000  
3. Expenses of the International Financial Commission. . . . . 3,330,000  
4. The sum mentioned in Note 1 . . . . . 6,915,000  
Total brought forward . . . . . 51,923,150  
GRAND TOTAL . . . . . 615,061,759



**Table No. IV.**

SUMS REQUIRED FOR THE SERVICE OF THE LOANS THAT ARE NOT CONTROLLED  
BY THE INTERNATIONAL FINANCIAL COMMISSION BUT ARE SECURED  
ON SURPLUS REVENUE.

LOANS	AMOUNT March 31, 1924	SERVICE for 1924-1925	WHEN redeemable	LAW
5% 1907 Def. Nat. . .	15,948,000	12,093,000	1945	Γ. P. O. E. of 1906.
4% 1910 . . . . .	99,282,000	46,190,000	1962	Γ. X. M. B.-ΦΠΕ- ΔΡΟΣΤ.
4% 1915 (40 mil. prov.)	40,000,000	1,608,000	1925	700 of 1915. Decree 3. 3. 1923.
6% 1915 (15 mil. drs.) .	2,722,000	413,000	1930	701 of 1915.
4% 1917 (5 mil. drs.) . .	5,000,000	201,000	1925	985 of 1917. Decree 3. 3. 1923.
6% 1917 (100 mil. drs.)	72,302,300	8,577,000	1938	1028 of 1917.
6% 1918 (75 mil. drs.) .	44,533,500	6,686,000	1939	1607 of 1918.
5% Canada. . . . .	40,000,000	33,916,000	1948	3205 of 1924.
5% 1920 (300 mil. lots)	294,510,000	20,500,000	1980	2119 of 1920.
6% 1920 (12 mil. prov.)	12,000,000	720,000	1925	2856 of 1920.
6% 1921 (75 mil. prov.)	75,000,000	4,522,200	1926	2578 of 1921.
1921 (550 million : 50 million at 5% inte- rest and 500 million at 1½ % commission).	533,750,000	20,356,000	2021 1956	2577 of 1921.
6% 1921 (40 mil. frs.) .	27,690,000	4,153,000	1925	2623 of 1921.
6% 1921 (125 mil. dr. prov.) . . . . .	125,000,000	7,538,000	1926	2621 of 1921.
1922, 550 mil. ½ % com . . . . .	533,500,000	19,167,000	1956	2855 of 1922.
6½ % 1922 (forced) . .	1,495,572,100	136,080,000 (1)	1942	2749 of 1922.
<b>TOTAL . . . . .</b>		<b>322,720,000</b>		

(1) The guarantee of this loan from surplus revenue is nominal; the additional 10 % tax on certain sources of State revenue adequately secures the service of this loan.

**Table No. V.**

LOANS SECURED BY SURPLUS AND OTHER REVENUE  
OR MERELY BY OTHER REVENUE.

LOAN	REVENUE	SERVICE
		Drs.
1. 5% 1920 (drawings) . . . . .	1. Alcohol from the whole of Greece. 2. Surpluses. . . . .	20,500,000
2. 6% 1921 (40 m.) . . . . .	1. Stamp duty in the New Pro- vinces. . . . .	4,153,000
3. 5½ % 1922 (50 millions) . . . .	2. Surpluses. . . . . Tobacco in the New Provinces. . . .	29,070,000

## XII. — Declaration by Mr. Morgenthau and Mr. Campbell.

### REFUGEES SETTLEMENT COMMISSION

Geneva, September 11th, 1924.

We have been asked to give an approximate valuation of the properties held by the Refugees Settlement Commission in Greece which were not purchased or constructed with its funds but were made over to it free of charge by the Hellenic Government.

Exact data are not available as to the area or quality of the lands so made over to the Commission, or as to the number of houses left by the departing Turks who have left or are leaving Greece under the terms of the Lausanne Convention.

Our estimates have been framed on a conservative basis; they are founded on the detailed knowledge we possess as to the approximate areas and qualities of the lands made over to the Refugees Settlement Commission, the approximate number of Turkish houses, and their state of repair.

Our estimates under each main head, are :

(1) Value of 500,000 hectares of land. . . . .	£ 7,000,000
(2) Value of Turkish houses . . . . .	2,500,000
(3) Value of urban lands and houses in the vicinity of Athens and other towns in Greece . . . . .	900,000
	<hr/> £ 10,400,000

We desire to emphasise that these estimates are, in our opinion, very conservative. For example, the National Bank of Greece (which possesses a special service for the issue and control of agricultural loans to peasants, and which has unequalled opportunities for forming a sound opinion on the question) estimates the value of item (1) above at £13,000,000. In calculating item (2), the low figure of £30 a house has been adopted. Item (3) is considerably below the estimate framed by the Hellenic Government.

(Signed) Henry MORGENTHAU,  
J. CAMPBELL.

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OF THE  
LEAGUE OF NATIONS

DECEMBER 1924

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Vol. IV. No. 12

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OF THE COUNCIL

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## TABLE OF CONTENTS

	Pages		Pages
I. <i>The League of Nations in 1924.</i>	262	Progress of the Recon-	
II. <i>Summary of the Month.</i>	265	struction Work in No-	
III. <i>The Permanent Court of Inter-</i>		vember-December . .	274
<i>national Justice . . . . .</i>	267	b) <i>The Financial Recon-</i>	
Extraordinary Session . . . . .	267	struction of Hungary .	275
IV. <i>Protocol for the Pacific Settle-</i>		Proceedings of the Coun-	
<i>ment of International Dis-</i>		cil . . . . .	275
<i>putes. . . . .</i>	267	Progress of the Recon-	
V. <i>Reduction of Armaments and</i>		struction Work in De-	
<i>Military Control. . . . .</i>	269	cember . . . . .	276
1. Control of the International		c) <i>Greek Refugees Settle-</i>	
Trade in, and the Private		ment Scheme . . . .	277
Manufacture of Arms, Mu-		Greek Refugees Loan .	277
nitions and Implements of		Greek Refugees Settle-	
War . . . . .	269	ment Commission. . .	277
2. Right of Investigation . . .	269	d) <i>The Ottoman Public Debt</i>	277
VI. <i>General Questions . . . . .</i>	270	3. <i>Communications and Tran-</i>	
1. <i>International Engagements.</i>	270	sit . . . . .	278
a) <i>Registration of Treaties</i>		Air Navigation . . . . .	278
<i>and International En-</i>		4. <i>Intellectual Co-operation.</i>	278
<i>gagements. . . . .</i>	270	a) <i>International Institute</i>	
b) <i>Adhesions and Ratifi-</i>		<i>for Intellectual Co-op-</i>	
<i>cations . . . . .</i>	271	<i>eration. . . . .</i>	278
c) <i>Treaty of December 6th,</i>		b) <i>International Institute</i>	
<i>1921, between Great</i>		<i>for the Unification of</i>	
<i>Britain and Ireland. .</i>	271	<i>Private Law. . . . .</i>	279
2. <i>Development of Internatio-</i>		VIII. <i>Administrative Questions . . .</i>	279
<i>nal Law . . . . .</i>	271	1. <i>Danzig. . . . .</i>	279
3. <i>Appointment of a Member</i>		2. <i>The Saar : Public Educa-</i>	
<i>of the Græco-Turkish</i>		<i>tion in the Territory . .</i>	280
<i>Mixed Arbitral Tribunal</i>	272	3. <i>Work of the Permanent</i>	
4. <i>Transfer by the German</i>		<i>Mandates Commission. .</i>	281
<i>Government to the Polish</i>		IX. <i>The Protection of Minorities . .</i>	282
<i>Government of Social In-</i>		1. <i>Exchange of Greek and Tur-</i>	
<i>surance Funds in the</i>		<i>kish Populations . . . .</i>	282
<i>Upper Silesian Territory</i>		2. <i>The Greek Minority in Con-</i>	
<i>ceded by Germany to Po-</i>		<i>stantinople and the Tur-</i>	
<i>land. . . . .</i>	272	<i>kish Minority in Western</i>	
VII. <i>Technical Organisations. . . .</i>	273	<i>Thrace. . . . .</i>	282
1. <i>The Health Organisation. .</i>	273	3. <i>Moslems of Albanian Origin</i>	
a) <i>Report of the Health</i>		<i>in Greece. . . . .</i>	283
<i>Committee . . . . .</i>	273	X. <i>Political Questions . . . . .</i>	283
b) <i>Health Conditions of the</i>		<i>The Situation in Albania. .</i>	283
<i>Greek Populations ex-</i>		XI. <i>Social and Humanitarian Ques-</i>	
<i>changed under the</i>		<i>tions. . . . .</i>	283
<i>Treaty of Lausanne .</i>	273	1. <i>The Traffic in Opium . . .</i>	283
2. <i>The Economic and Financial</i>		a) <i>The International Opium</i>	
<i>Organisation . . . . .</i>	274	<i>Conferences . . . . .</i>	283
a) <i>The Financial Recon-</i>		b) <i>Proceedings of the Coun-</i>	
<i>struction of Austria. .</i>	274	<i>cil . . . . .</i>	286
<i>Proceedings of the Coun-</i>		2. <i>Traffic in Women and Chil-</i>	
<i>cil. . . . .</i>	274	<i>dren. . . . .</i>	286

	Pages		Pages
3. Protection of Children . . .	286	XII. <i>Letter of the German Govern-</i>	
4. Russian and Armenian Re-		ment to the Secretary-General	
fugees . . . . .	287	of the League of Nations . .	288
5. International Federation for		XIII. <i>Competition in view of the Selec-</i>	
Mutual Assistance in the		tion of a Plan for the Construc-	
Relief of Peoples over-		tion of a Conference Hall for	
taken by Disaster . . .	287	the League of Nations. . . .	292
6. Special Facilities for Red		XIV. <i>Forthcoming Events. . . . .</i>	293
Cross Organisations . . .	287		

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## I. — The League of Nations in 1924.

The problem of preventing war by a carefully organised system of arbitration, of reduction of armaments, and of mutual assistance against a Covenant-breaking nation ranks foremost amongst the questions before the League in 1924. Whilst bringing its main effort to bear on this subject, the League settled a certain number of political questions, pursued its administrative work, and, by the agency of its technical organisations, promoted international co-operation in the most varied fields.

The League's work during the past year in connection with the prevention of war may be said to begin with the Draft Treaty of Mutual Assistance, prepared by the Fourth Assembly, and to culminate in the *Protocol for the Pacific Settlement of International Disputes*, drawn up by the Fifth Assembly. The Draft Treaty of Mutual Assistance, although approved in principle by eighteen Governments, gave rise to certain misgivings, which were voiced in the comments of Governments and in the debates of the Fifth Assembly of September 4th and 5th. Subsequent to these debates, in which the Prime Ministers of France, Great Britain, Belgium and Denmark took part, the Assembly adopted a joint resolution presented by the British and French delegations, inviting it "to strengthen the solidarity and security of the nations of the world by settling by pacific means all disputes which might arise between States". On the basis of this resolution the Assembly drew up the *Protocol for the Pacific Settlement of International Disputes*, which contained a system of arbitration from which no international dispute, whether legal or political, should escape. It provided for a military, financial and economic co-operation, which, by guaranteeing the security of States, would render possible a considerable reduction of national armaments. Thus, the three factors of the problem, namely, arbitration, security and reduction of armaments were combined. M. Benes, in his report to the Assembly, defined as follows the interdependence of these three factors: *There can be no arbitration or security without disarmament, nor can there be disarmament without arbitration and security.* By a unanimous resolution the Assembly decided to recommend the *Protocol* to Governments for acceptance. Seventeen signatures, including that of one permanent member of the Council, France, and five non-permanent members, Belgium, Brazil, Czechoslovakia, Spain and Uruguay, have been received.

With regard to the investigation of Austrian, Bulgarian, German and Hungarian armaments, the Council drew up a scheme for the exercise, if and when required, of its right of control, as contemplated in the Peace Treaties.

A draft convention on the supervision of the arms traffic was elaborated during the year and will be finally discussed at an International Conference convened for May 4th. A draft convention on the private manufacture of arms is also in preparation.

In the political field, several disputes were submitted to the Council for mediation, as provided by the Covenant. The status of the Memel territory, which had long been in dispute between the Principal Allied Powers and Lithuania, and the Jaworzyna boundary dispute between Czechoslovakia and Poland, were both settled in March.

The question of the frontier between Iraq and Turkey came before the Council, in conformity with the Treaty of Lausanne, after the failure of direct negotiations pending between the British and Turkish Governments since October 1923. As the British and Turkish representatives had declared that they accepted in advance the Council's decision, the Council, in order to collect the data required for the fulfilment of its mission, despatched a special Commission of three members to proceed to investigations on the spot. As frontier incidents had taken place, the Council laid down a provisional boundary between the territories occupied or administered by the Turkish and Iraq Governments.

The question of the Greeks of Constantinople was also brought before the Council in virtue of the Treaty of Lausanne. The Permanent Court of International Justice has been requested to give an advisory opinion on this question.

Finally, the Council intervened with the Conference of Ambassadors with a view to obtaining a prompt settlement of the Albanian frontier question.

*Permanent Court of International Justice.* — At its ordinary session in June, 1924, the Court had to deal with the *Mavromatis Affair*, a *Græco-Bulgarian dispute*, and the question of *St. Naoum*. The so-called Mavromatis Affair, with the Greek and British Governments as parties before the Court, concerned rights claimed in Palestine by a Greek subject and public works contractor, M. Mavromatis, in respect of certain contracts and agreements entered into by him with the local authorities when Palestine was under Turkish sovereignty. The *Græco-Bulgarian dispute* bore on the interpretation of certain clauses of the Treaty of Neuilly. The question of *St. Naoum* concerned the delimitation of the Serbo-Albanian frontier in the region of the monastery of this name, situated on the southern shore of Lake Ochrida.

The entry into force of the Treaty of Lausanne and the conclusion of the London Agreements assigned a certain number of duties to the Permanent Court of International Justice.

Important progress was made in the domain of *international law*, a Committee of Experts representing the main forms of civilisation and the principal legal systems of the world, being constituted for the purpose of drawing up a provisional list of the subjects of international law, the regulation of which by international agreement would seem desirable and realisable at the present moment. The Italian Government approached the League with an offer to create an Institute of Private Law at Rome, the League accepting the offer, and the details now being under negotiation.

The *Mandates* system is now in full operation in all territories subject thereto. At its thirtieth session the Council approved the Anglo-Iraq treaty as giving effect to Article XXII of the Covenant with regard to the British Mandate for Iraq.

A series of questions relating to the *protection of minorities* were dealt with by the League during the year. On the basis of an agreement with the Polish Government the Council succeeded in settling the question of the German settlers in Poland.

The Council also noted an agreement reached by the German and Polish Governments with regard to the question of the acquisition of Polish nationality by certain categories of former German settlers in Poland.

As a result of the coming into force of the Treaty of Lausanne and of the Treaty of Sèvres concerning the protection of minorities, the provisions contained in these treaties with regard to the protection of minorities are henceforth placed under the guarantee of the League of Nations. This was confirmed by the Council last September. The questions of *Moslems of Albanian origin in Greece*, *Greek minorities in Bulgaria* and *Bulgarian minorities in Greece* were subsequently dealt with.

The three Technical Organisations of the League of Nations, namely, the *Economic and Financial Organisation*, the *Organisation for Communications and Transit* and the *Health Organisation*, achieved notable results in their different spheres.

The chief task of the League Financial Committee during the year was to frame a scheme for the *financial reconstruction of Hungary*, the execution of the details of which is being supervised by the Commissioner-General of the League, Mr. Jeremiah Smith, of Boston. At Vienna, during the same period, the work of the *financial reconstruction of Austria* was satisfactorily continued under the guidance of Dr. Zimmerman, the Commissioner-General of the League of Nations.

The long efforts of the League in connection with the *Greek Refugees Settlement Commission* culminated in the heavy oversubscription on the exchanges of Athens, London and New York of a loan of ten million pounds. Mr. Charles P. Howland, New York, was named President of the Commission in succession to Mr. Morgenthau, who resigned.

The Committee also made considerable progress in the study of *Double Taxation* and *Fiscal Evasion*. Memoranda on Currency, Central Banks, Public Finance, the Balance of Payments and Foreign Trade Balances were published.

The *Economic Committee* drew up a programme for more effective protection against *unfair competition*. This programme, which was discussed by experts appointed by twenty-two States, was submitted to the Fifth Assembly and communicated to the Pan-American High Commission. It will be submitted to the Union for the Protection of Industrial Property.

Other work in the sphere of economics concerned the protection of consumers against worthless goods, the treatment of foreign nationals and enterprises and the unification of economic statistics.

The Organisation for *Communications and Transit*, in view of the number of technical questions falling within its cognisance, set up numerous sub-committees, each specially qualified to deal with some branch of communications and having its own programme (Sub-Committee on Railways, Inland Navigation, Ports and Maritime Navigation, Electrical Questions; Special Committees on Road Traffic, Radio-Telegraphic Questions, Calendar Reform; technical committees on Tonnage Measurement in Inland and Maritime Navigation, Lighting of Coasts, etc.). During 1924, the Organisation for Communications and Transit was also called upon to act as an organ of conciliation in the settlement of inter-State disputes in connection with the application of articles of the peace treaties concerning the jurisdiction of the Oder and the European Danube Commissions.

The *Health Organisation*, in the course of the year, prepared drafts for international conventions on various urgent questions. It carried out an inquiry on malaria in Europe, placed technical advisers at the disposal of the Albanian, Greek and Persian Governments, and pursued its investigation into outbreaks of plague, typhus and cholera in Russia. The Health Organisation also set on foot an enquiry on instruction in hygiene and social medicine. As a result of the generous aid of the Rockefeller Foundation, the international interchanges of public health officials were continued and developed. Progress was also made in serological, biological and cancer research work.

The Health Committee has organised an Epidemiological Intelligence Service for the Far East, with an office in Singapore, where information on public health received from Far Eastern ports will be centralised and classified.

The Committee on *Intellectual Co-operation*, re-inforced by Professor Einstein and M. Lugones, a well-known Argentine writer, developed its system of National Committees serving as intermediaries between the International Committee and intellectual workers in the various countries. Important results were obtained by the Committee in the organisation of intellectual work, such as bibliography and the exchange of publications.

With regard to inter-university relations, the Committee dealt with the question of the equivalent value of diplomas and the co-ordination of the courses in

different universities. It also endeavoured to promote the exchange of professors and students. The International University Information Office, founded by the Committee, and its organ, the Quarterly Bulletin, have already rendered service in the university world.

The forthcoming foundation, by the French Government, of an International Institute of Intellectual Co-operation at Paris, and, by the Italian Government, of an Institute for the Unification of Private Law at Rome, marks the beginning of a new phase in the activity of the Committee.

With regard to *social and humanitarian problems*, the League continued and amplified the work begun in previous years.

Two international *Opium Conferences* met in Geneva in November and were still in session at the end of the year—one dealing with prepared opium, the other with manufactured narcotics. A delegation of the United States of America, presided over by Mr. Stephen G. Porter, Chairman of the Foreign Relations Committee of the House of Representatives at Washington, took part in the work of the Second Conference. Germany and Turkey were also represented.

In the course of the year the Council furthermore took various measures with a view to facilitating the work of the Advisory Committee on Traffic in Women and Children, which has been reconstituted as the Committee on Traffic in Women and Protection of Children. The international investigation into the extent and methods of the Traffic in Women and Children was initiated on a broad scale during the year through funds placed at the disposal of the League by the Social Hygiene Bureau of New York.

The League High Commissioner for Refugees, Dr. Nansen, was mainly concerned with the position of Russian refugees and of refugees from Asia Minor. A large number of States adopted an identity certificate system, facilitating the transfer of refugees to countries where work is obtainable.

On the proposal of Dr. Nansen, and in agreement with the Governing Board of the International Labour Office, the work connected with the employment, emigration and repatriation of refugees was transferred to the International Labour Organisation. Dr. Nansen will continue to deal with Political and Legal Questions.

For the immediate relief of the population of Northern Albania, which had been reduced to a state of famine, the Council made a grant of 50,000 Swiss francs, subsequent to which a certain number of States Members of the League and charitable Societies sent contributions either in cash or in kind. Thus immediate relief was brought to the territory.

A Committee of Experts began an investigation on the subject of slavery. It drew up its plan of work and classified the various forms of slavery known at the present day.

Finally, the membership of the League was increased to fifty-five States by the entry of the Dominican Republic at the Fifth Assembly. During the year, also, the German Government addressed a Note to the League as to its membership. The United States took part in a number of conferences and commissions, while the Soviet Republic was represented on the Health Committee and in connection with naval disarmament.

## II. — Summary of the Month.

The principal event in December was the Thirty-second session of the Council, which took place at Rome from December 8th to 13th. The following delegates were present :

M. de Mello Franco, President. . . . .	(Brazil)
M. Paul Hymans. . . . .	(Belgium)
M. Benes . . . . .	(Czechoslovakia)

M. Briand . . . . .	(France)
Mr. Austen Chamberlain . . . . .	(Great Britain)
M. Salandra . . . . .	(Italy)
Viscount Ishii . . . . .	(Japan)
M. Quinones de Leon. . . . .	(Spain)
M. Unden . . . . .	(Sweden)
M. Guani . . . . .	(Uruguay)

At the opening meeting, the Italian representative, M. Salandra, welcomed the Council in the name of his Government and expressed the deep devotion of the Government and people of Italy to the cause of peace.

The President of the Council expressed the Council's gratitude for the hospitality extended to it and welcomed Mr. Austen Chamberlain, Foreign Secretary, who represented Great Britain for the first time on the Council.

The most important questions on the Council agenda concerned armaments. The Council fixed May 4th as the date for the general Conference on the international control of the arms traffic; requested the Coordination Commission to prepare a draft convention on the private manufacture of arms and munitions; and took several important decisions in connection with the exercise of its rights of investigation should such investigation be necessary in the case of German, Austrian, Bulgarian or Hungarian armaments.

The discussion of the Protocol for the Pacific Settlement of International Disputes was adjourned to the next session of the Council in March at the request of the British Government. Mr. Austen Chamberlain, British Foreign Secretary, stated that this request was due entirely to the shortness of time the new British Government had been in office, and involved in no way an indication of its eventual attitude or point of view. Various other Members of the Council, in agreeing to this adjournments made declarations concerning the Protocol, while three States—Spain, Uruguay and Finland, added their signatures to the document during the month, bringing the total number of signatures to seventeen.

Questions concerning the Albanian minority in Greece and the Greek and Turkish minorities in Turkey and Greece were also the subject of decisions of the Council, which referred to the Permanent Court of International Justice, for its advisory opinion, a point raised in connection with the Greeks of Constantinople by the Mixed Commission for the Exchange of Greco-Turkish Populations.

Various questions concerning Danzig were settled by the Council. The High Commissioner, Mr. MacDonnell was reappointed for one year. The Council also dealt with the problem of public education in the Saar Territory.

The Council also had to examine questions relating to the foundation of an International Institute of Intellectual Co-operation at Paris and an Institute for the Unification of Private Law at Rome. The Committee of Experts for the development of international law was nominated in conformity with the Assembly resolution.

Other questions before the Council concerned the financial reconstruction of Austria and Hungary, the work of the Health Committee and various social and humanitarian problems, such as refugees, the traffic in opium, the foundation of an international federation for mutual assistance in the relief of peoples overtaken by disaster, and the reconstitution of the Advisory Committee on Traffic in Women and Children as a "Committee on Traffic in Women and the Protection of Children".

In addition to the Council meeting, the two Opium Conferences continued their work during the first half of December and then adjourned for three weeks.

The £10,000,000 loan issued under the League's plan for the Greek Refugee Settlement Commission was floated in December in Athens, London and New York, and many times over-subscribed.

The German Government addressed to the Secretary-General a note setting forth certain problems relating to its eventual adhesion to the League of Nations.

The Albanian Government appealed to the League under Articles 12 and 15 of the Covenant in connection with the recent disturbances.

### III. — The Permanent Court of International Justice.

#### EXTRAORDINARY SESSION

The Permanent Court of International Justice has been summoned to meet in extraordinary session on January 12th for the purpose of giving an advisory opinion on certain points raised in Article 2 of the Lausanne Convention on the Exchange of Greek and Turkish Populations <sup>(1)</sup> and to deal with any other cases submitted which may be ready for its intervention.

The points raised in connection with Article 2 of the Lausanne Convention bear on the meaning and scope of the word "established" used in regard to the Greeks of Constantinople, and also on the conditions which the Greeks of Constantinople must fulfil in order that they may be considered as "established" in the terms of the Convention, and therefore exempted from the obligatory exchange contemplated in the Convention.

### IV. — Protocol for the Pacific Settlement of International Disputes.

The British Government had requested <sup>(2)</sup> that the discussion of the Protocol for the Pacific Settlement of International Disputes should be postponed to a later session of the Council, as, owing to its recent accession to office, it had not been able to give this matter the attention its importance necessitated.

On December 9th, the British Representative, Mr. Austen Chamberlain, confirmed before the Council that the request for adjournment presented by his Government had been made with a view to gaining the time necessary for the study of the Protocol and for the instruction of the British representatives. In asking for that time, Mr. Chamberlain said, his Government made no declaration and gave no indication of what its ultimate decision might be. The new Government, he said, was confronted with many questions which had to be settled at once, and it had not had time to study a question of that importance and to instruct its delegates fully as to the lines that they should take. Mr. Chamberlain stated that, in the case of the British Empire, an additional difficulty arose from the fact that its delegate did not speak the mind of one Government only but of five or six Governments, widely divided by oceans and seas, and with whom communication was necessarily slower than with London.

The French representative, M. Briand, recalled that his Government had from the very beginning accepted and signed the Protocol recommended by the Fifth Assembly. He stated that his Government had a profound belief in the Protocol, the provisions of which it had carefully studied, and that, when the French Parliament had ratified the signature, France would undertake to respect all the obligations contained in the Protocol. These obligations, he said, were of the greatest

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(1) For the proceedings of the Council on this subject see under Chapter IX (Protection of Minorities) of this number.

(2) See *Monthly Summary*, Vol. IV, No. 11, p. 248.



importance, and his Government was well able to understand that the new British Government, with a conscientious scruple which constituted an additional guarantee, did not wish to assume any undertaking without full knowledge of the facts, and the obligations it was called upon to sign.

M. Briand further stated that the question before the Council was, therefore, a mere question of procedure and concerned the pure and simple adjournment of an item on the agenda of the session. The work the Council had undertaken would not be interrupted and the Council might contemplate that next March it would be able to engage, with the certainty of achieving positive and practical results, the discussion originally fixed for the December session.

The Spanish representative, M. Quinones de Leon, announced that his Government had examined the Protocol, which it had authorised him to sign. His Government, however, fully understood the wish of the British Government, which it was prepared to support.

The Belgian representative, M. Hymans, declared that his Government, which, in its foreign policy, was mainly concerned with problems of security and peace, viewed with the greatest sympathy and hope the efforts made at Geneva to organise on a legal and technical basis peace and security. He supported the proposal put forward by the British representative, adding that Belgium was ready to participate in any work contemplated in the Protocol with a view to executing a difficult and complex programme.

The representative of Uruguay said that all smaller States, and particularly the countries of Latin America, had followed with the deepest interest and hope the debates of the Fifth Assembly on the Protocol for the Pacific Settlement of International Disputes. M. Guani emphasised that the acceptance of the principle of compulsory arbitration and the machinery contemplated to guard against and punish the international crime of aggressive war was welcomed by the American democracies as a substantial progress towards the ideal of equality among nations, of justice and public law.

M. Mello Franco, representative of Brazil, observed that the hopes aroused in the public mind as a result of the voting of the Protocol and the declarations of Prime Ministers and representatives of great Powers in September last, would be neither diminished nor enfeebled. He further stated that the Council, expressing the will of the Assembly, in no way rejected the positive results so far obtained, but merely adjourned the work of completing the machinery indispensable for carrying out the Covenant. M. Mello Franco added that next March the Council would resume its work, inspired by the utmost confidence in the triumph of peace through the guarantee of law and security for nations.

The representative of Czechoslovakia, M. Benes, recalled that his Government had ratified the Protocol, and submitted the following resolution, which was unanimously adopted :

"The Council, having heard the request and the observations of the representative of the British Empire and the statements made by other Members of the Council, decides to put on the agenda of its March meeting the preparatory work for the Conference on the Reduction of Armaments which, in virtue of the Geneva Protocol and in conformity with the resolution adopted at Brussels on October 28th, 1924, it was to have undertaken at its present meeting. The other provisions of this resolution will be carried out in accordance with this change of date."

*Signatures and ratifications.* — During the month Spain, Finland and Uruguay signed the Protocol for the Pacific Settlement of International Disputes. The total number of signatures received to date is seventeen.

The Finnish Government, on the occasion of its signature, communicated to the Secretary-General a declaration concerning the construction which it placed on certain clauses of the Protocol.

## V. — Reduction of Armaments and Military Control.

At its meeting in Rome, the Council took several decisions in connection with the question of the reduction of armaments. These decisions aimed at the execution of the resolutions of the Fifth Assembly with regard to the control of the traffic in and private manufacture of arms and at the eventual application of the scheme drawn up by the Council last September to ensure the exercise of its right of investigation as regards Austrian, Bulgarian, German and Hungarian armaments.

### 1. — CONTROL OF THE INTERNATIONAL TRADE IN, AND THE PRIVATE MANUFACTURE OF ARMS, MUNITIONS AND IMPLEMENTS OF WAR

The Council, acting on the report of M. Benes, decided to fix May 4th, 1925, as the date of the international conference approved by the Assembly for the purpose of concluding a convention on the control of the international trade in arms, munitions and implements of war.

The following States have announced their intention of taking part in the work of the conference :

Belgium, Brazil, Bulgaria, Czechoslovakia, China, Denmark, Esthonia, Finland, France, Germany, Great Britain, Hungary, India, Italy, Japan, Latvia, Netherlands, Persia, Poland, Kingdom of the Serbs, Croats and Slovenes, Spain, Sweden, Switzerland, United States of America, and Uruguay.

The Council also decided to summon the Co-ordination Commission to meet at Geneva on February 16th, in order to carry out the resolution of the Fifth Assembly, inviting the Commission to consider the statistical information published by the Secretariat on the trade in arms, munitions and implements of war, and the preparation of a new draft convention on the control of the private manufacture of arms, munitions and implements of war.

### 2. — RIGHT OF INVESTIGATION

On December 11th, the Council, acting on the report of the Japanese representative, Viscount Ishii, instructed the Secretary-General to request the Governments of States which would be entitled to sit as temporary members of the Permanent Advisory Commission for Military, Naval and Air questions to communicate the names of their representatives. The Council approved the general list of experts submitted by the Permanent Advisory Commission in the form of a series of categories, from which the members of the Investigation Commissions would be selected. The Council nominated the Kingdom of the Serbs, Croats and Slovenes as the State bordering on Bulgaria called upon to furnish experts in the event of an investigation in Bulgaria, and, in this connection, requested the States Members of the Council and the Kingdom of the Serbs, Croats and Slovenes to intimate the number of experts they would be able to supply if such an investigation were decided upon.

The British Government had requested the Council to consider whether or not a unanimous vote was to be taken when the Council had to reach a decision as to the composition of Commissions of Investigation or as to the action to be taken on the reports of the Commissions.

The Council was of opinion that the composition of Commissions of Investigation should be decided by a majority vote. With regard to the second point, the Council decided to adjourn the discussion to its March session in order to afford the Governments an opportunity of studying the question.

Two important problems were referred to the Permanent Advisory Commission. In the first place, the Council instructed the Commission to submit practical proposals for the application of Chapters I and V of the scheme drawn up by the Council in September to the Rhine Zone, demilitarised by the Treaty of Versailles. Chapter I of the scheme stipulates that the investigations provided for in the Treaties of Peace may, if the Council so decides, cover such demilitarisation of territory as may be laid down in the said treaties, and any or all of the military, naval and air clauses of the said treaties. Chapter V reads :

"Within the period fixed by the Council and with its approval, the President of a Commission of Investigation may detach groups to remain at points in the demilitarised zones where continuity of investigation is required."

The Council also instructed the Permanent Advisory Commission to prepare a report dealing, both from a technical and a practical point of view, with the ways and means of ensuring the free and complete execution of the duties entrusted to the Commissions of Investigation.

The Council, further, requested its President to appoint a Committee of three Jurists to examine, together with the representatives appointed by the Permanent Advisory Commission, the latter's report on the subject. This joint Committee will draw up in legal form the proposals of the Permanent Advisory Commission. Its report should be ready in time to enable the Council to take a decision at its March session.

The decision of the Council on this report will be communicated to the Governments of the States subject to investigation and to the Governments required to appoint experts to the Commissions of Investigation.

## VI. — General Questions.

### 1. — INTERNATIONAL ENGAGEMENTS

#### (a) *Registration of Treaties and International Engagements.*

Among the treaties and international engagements presented to the Secretariat for registration during December figure :

The Additional Act (Geneva, September 19th, 1924) to the Protocol of November 29th 1923, relating to the Settlement of Refugees in Greece, and

A Declaration, signed on behalf of France, Great Britain and Italy, concerning the modifications introduced into the Protocol relating to the Settlement of Refugees in Greece, presented for registration by the Greek Government.

A Treaty of Commerce and Navigation, a Final Protocol and an Additional Protocol concerning the extension to the Free City of Danzig of the provisions of the said Treaty, signed at Warsaw on March 22nd, 1924, by the Danish and Polish Governments, presented for registration by the Danish Government.

An Arrangement between the Swedish and Russian Governments, concluded at Stockholm on September 12th 1924, with regard to the postal relations between the countries concerned, presented by the Swedish Government.

A Commercial Agreement between the Netherlands and Czechoslovakia.

An Exchange of Notes between the German and Danish Governments with regard to motor traffic, presented by the Danish Government.

A Treaty concluded by Belgium and the United States of America concerning the Belgian Mandate for the territory of Ruanda-Urundi, presented by the Belgian Government.

An Exchange of Notes between the Austrian and Norwegian Governments constituting a commercial and maritime agreement, presented by the Norwegian Government.

(b) *Adhesions and Ratifications.*

The Declaration recognising the right to a flag of States having no sea coast, signed on April 20th, 1921, at Barcelona, has been ratified by Poland.

Northern Rhodesia has acceded to the Protocol on Arbitration Clauses in Commercial Contracts, which was signed at Geneva on September 24th, 1923.

The Spanish Government has ratified the International Convention for the Suppression of the Traffic in Obscene Publications.

(c) *Treaty of December 6th, 1921, between Great Britain and Ireland.*

A note dated November 27th was received from the British Government with reference to the "Treaty concluded between Great Britain and Ireland on the 6th December, 1921, which was registered on the 11th July, 1924". The note states that that Government considers that the terms of Article 18 of the Covenant are not applicable to that document.

The Government of the Irish Free State, on receiving a copy of the above note, addressed to the Secretary-General a reply in which it dissented from the view expressed by the British Government.

The correspondence has been circulated to Members of the League and will be published in the Treaty Series.

## 2. — DEVELOPMENT OF INTERNATIONAL LAW

At its December session the Council, on the report of the Swedish representative, proceeded to the appointment of the members of the Committee for the Development of International Law. The fifth Assembly had recommended that the Committee should, as a body, represent the main forms of civilisation and the principal legal systems of the world.

The Committee is composed of the following seventeen members :

- M. Hammarskjöld, Governor of Upsala (Sweden);
- Professor Diena, professor of international law at the University of Turin (Italy);
- Professor Brierly, professor of international law at the University of Oxford (Great Britain);
- M. Fromageot, legal adviser to the French Ministry for Foreign Affairs (France);
- Dr. Gustave Guerrero, Minister of Salvador in Paris (Salvador);
- Dr. Bernard C. J. Loder, President of the Permanent Court of International Justice (Netherlands);
- Dr. Vilhena Barboza de Magalhaes, professor of law at the University of Lisbon, former Minister of Foreign Affairs, Justice and Education (Portugal);
- Dr. Adalbert Mastny, Minister of Czechoslovakia in London, President of the Czechoslovak branch of the International Law Association (Czechoslovak);
- M. Matsuda, Doctor of Law, Minister Plenipotentiary (Japan);
- M. Simon Rundstein, barrister, former legal adviser to the Ministry for Foreign Affairs, founder of the Polish Association of International Law (Poland);
- Professor Walter Schucking, professor of law at the University of Berlin (Germany);
- Dr. José Leon Suarez, Dean of the Faculty of Political Sciences of the University of Buenos Aires (Argentina);
- Professor Charles de Visscher, professor of law at the University of Ghent, legal adviser to the Ministry for Foreign Affairs (Belgium);

Dr. Chung Hui Wang, Deputy judge at the Permanent Court of International Justice (China);

Mr. George W. Wickersham, former Attorney-General of the United States, member of the Committee of International Law of the American Bar Association, President of the American Society of International Law (United States);

A Spanish jurist; and

A jurist expert in Moslem law.

M. Hammarskjöld and Professor Diena were appointed respectively Chairman and Vice-Chairman of the Committee.

On this occasion the Swedish representative declared that the development of international law must proceed organically and that it would be advisable to discover what problems of international life were sufficiently ripe for regulation by means of conventions. The work of the Committee, he said, was to determine for what questions the intervention of the League and the conclusion of conventions might be useful and possible.

The representative of Uruguay, recalling the interest taken by Latin America in the question of the codification of international law, expressed the hope that the work of the Committee would result in the unification of certain doctrines of private law which might give rise to difficulties.

### 3. — APPOINTMENT OF A MEMBER OF THE GRAECO-TURKISH MIXED ARBITRAL TRIBUNAL (1)

At its December session, the Council noted a communication from the Turkish Government to the effect that four Turkish jurists had been appointed to different Mixed Arbitral Tribunals and that Djemil Bey would represent the Turkish Government on the Graeco-Turkish Mixed Arbitral Tribunal.

This question was discussed in October when the Greek Government requested the Council to proceed, in accordance with Article 92 of the Treaty of Lausanne, to the appointment of a member of the Graeco-Turkish Arbitral Tribunal, as the Turkish Government had not at that time nominated its representative.

### 4. — TRANSFER BY THE GERMAN GOVERNMENT TO THE POLISH GOVERNMENT OF SOCIAL INSURANCE FUNDS IN THE UPPER SILESIAN TERRITORY CEDED BY GER- MANY TO POLAND

The question of the transfer of social insurance funds in former German territories ceded to Poland came before the Council on December 9th, when it adopted the recommendations, proposed by the Commission set up in accordance with Article 312 of the Treaty of Versailles, concerning the conditions of the transfer to the Polish Government of social insurance funds in Upper Silesian territory ceded by Germany to Poland.

The Commission, which was composed of three members appointed by the Governing Body of the International Labour Office, one member appointed by the German Government, and one member appointed by the Polish Government, embodied its recommendations in a report which was submitted to the Council.

In adopting this report, the Council provided that the recommendations of the Commission should have the force laid down in Article 312 of the Treaty of Versailles which stipulates that the decision of the Council shall be accepted by Germany and Poland as final.

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(1) See *Monthly Summary*, Vol. IV, No. 10, p. 225.

## VII. — Technical Organisations.

### 1. — THE HEALTH ORGANISATION

#### a) *Report of the Health Committee.*

The report of the Health Committee on the work of its third session <sup>(1)</sup> was examined and approved by the Council on December 8th.

The Council noted the proposals of the Health Committee concerning the procedure to be adopted for the communication of annual reports to the Permanent Committee of the *Office international d'Hygiène publique*, its conclusions with regard to the quantities of opium and cocaine required for medical and scientific needs, and its suggestions with regard to instruction in public health and preventive measures against tuberculosis.

With regard to the question of sleeping sickness in Equatorial Africa, the Council, on the proposal of Viscount Ishii, decided to ask the countries concerned whether they would approve the convocation at an early date of a conference of representatives of the colonial administrations to discuss the financial and administrative possibility of organising an expedition of specialists to study the disease on the spot.

This conference would further have to consider the means of establishing a liaison between the administrators and medical officers of the various territories of Central Africa, with a view to ascertaining the affected regions, the migration of the population, and the prevalence of the Tse-tse fly.

The Council accepted the invitation of the Italian Government for the Health Organisation to send a representative to co-operate in the work of the First International Congress on Malaria which will be held at Rome in the spring of 1925.

In connection with the interchange of public health officials, the Council noted with satisfaction that the Government of the Kingdom of the Serbs, Croats and Slovenes had generously decided to offer full hospitality to officials taking part in an interchange of seven weeks in its territory, contemplated in the programme for 1925.

The Council noted that the International Health Board of the Rockefeller Foundation had placed at the disposal of the Health Organisation the sum of \$5,000 to meet the expenses of a conference of representatives of the Health Services of Far Eastern countries, convened for February 4th, 1925. The Council requested the Secretary-General to convey to the International Health Board its very deep appreciation of this new proof of close co-operation between the Health Organisation and the Rockefeller Foundation.

#### b) *Health conditions of the Greek Populations exchanged under the Treaty of Lausanne.*

On December 8th, the Council, which included M. Carapanos (Greece) took note of a communication from the Greek Government containing certain observations on the report of the Health Committee with reference to the health conditions of the Greek populations exchanged under the Treaty of Lausanne <sup>(2)</sup> and suggesting that a part of the loan raised for the establishment of Greek refugees should be devoted to the improvement of their health conditions.

According to the Protocol of September, 1923, as amended by additional act in September, 1924 <sup>(3)</sup>, the administration of the funds so raised is entrusted to the Refugees Settlement Commission. The Council, therefore, on the proposal of Viscount Ishii, decided to forward copies of the various reports received to the Chairman of the Refugees Settlement Commission with a view to his taking such action as circumstances might permit.

(1) See *Monthly Summary*, Vol. IV, No. 10, p. 226.

(2) See *Monthly Summary*, Vol. IV, No. 10, p. 226.

(3) See *Monthly Summary*, Supplement, November, 1924, p. 26.

## 2. — THE ECONOMIC AND FINANCIAL ORGANISATION

### a) *The Financial reconstruction of Austria.*

#### PROCEEDINGS OF THE COUNCIL.

The question of the financial reconstruction of Austria came before the Council on December 8th when it examined the three most recent reports of the Commissioner-General, Dr. Grunberger, former Austrian Foreign Minister and Dr. Zimmermann, Commissioner-General of the League of Nations in Vienna, attended the meeting.

Dr. Grunberger, speaking on behalf of his Government, declared that the accession to the Chancellorship of Dr. Ramek did not in any way imply a change in Austrian policy. The Federal Government, he said, considered that it was its duty to enforce as a matter of principle the utmost economy in all branches of public administration it would not tolerate anything which might endanger the foundations of the national economic system. The Government felt that it might hope to bring to a happy issue the last stage in the work of reconstruction.

Dr. Grunberger added that the banking crisis from which Austria had suffered during the summer was now past. Progress had been made in the consolidation of economic life. The new Government, faithful to the traditions of its predecessor, would do its utmost to strengthen and consolidate the general confidence, and had already executed the greater portion of the measures recommended in September last, especially as regarded the reduction of certain taxes.

M. Benes informed the Council that, on his journey from Prague to Rome, he had had a conversation with the Austrian Minister for Foreign Affairs, in the course of which the latter stated that it was the firm intention of the Austrian Government to continue the policy of Mgr. Seipel.

On the proposal of M. Salandra (Italy), the Council noted the reports of the Commissioner-General, together with the declaration of the Austrian representative.

#### PROGRESS OF THE RECONSTRUCTION WORK IN NOVEMBER-DECEMBER

Information received from the office of the Commissioner-General shows normal progress in the reconstruction work in Austria during the last two months of 1924. Dr. Ramek, who succeeded Mgr. Seipel as Chancellor of the Austrian Republic, has announced his intention of pursuing with regard to the Geneva Protocols and subsequent agreements with the League of Nations, the same policy as his predecessor.

*Reforms.* — Owing to the Cabinet crisis, the Austrian Parliament was unable to vote the draft budget for 1925 before the end of the year, and confined itself to voting a provisional budget for the first quarter.

A law was passed introducing the shilling (10,000 paper crowns) as unit of currency. This measure, the principle of which contained in the Geneva agreements, obliges public institutions and authorises individuals to make out their accounts in shillings as from January 1st, 1925. The gold equivalent of the shilling is fixed, at 0.21172086 grammes. The law provides for an issue of gold coins of 100 and 25 shillings in value.

In order to meet their working expenses the state railways and postal administrations have raised, or will shortly raise, their tariffs. Two Belgian experts have been invited to give their opinion with regard to the re-organisation of the postal administrations.

*Dismissal of civil servants.* — The number of officials dismissed since October 1st, 1922, is 71,540. The figure fixed by the Geneva Protocols for July 1st, 1924, was 100,000.  $\frac{2}{3}$

*Budget estimate.* — The Austrian Government communicated to the Commissioner-General the following budget estimates for December :

	Milliards (paper crowns)	Millions (gold)
Expenditure . . . . .	659.8	45.8
Revenues . . . . .	607.9	42.2
Deficit . . . . .	51.9	3.6

Compared with the October estimates <sup>(1)</sup> these figures shew a general decrease, which is, however, apparent rather than real. As a matter of fact, the above estimate reckons with the receipt of the interest for the whole of 1924,—776.8 milliard paper crowns—on the portion of the reconstruction loan which was held in reserve. As the loan service in December will only absorb 74.2 milliard paper crowns, the remaining 42.6 milliards are deducted from the total expenditure of the month.

*Yield of Loan Securities.* — The yield of the revenues assigned for the service of the reconstruction loan, after deducting the customs drafts, which no longer figure in the Treasury receipts, was 530 milliards in October (112 milliards for customs, 238 milliards for tobacco) and 332 milliards in November (214 milliards for customs, 118 for tobacco, all figures in paper crowns).

*General Situation.* — The number of unemployed rose from 88,237 at the beginning of November to 115,600 at the beginning of December (79,289 at the same date in 1923).

Bank and savings bank deposits rose from 137.6 million gold crowns in November to 150.4 million gold crowns in December. The cost of living index shews a 1 % rise in December as compared with an increase of 2 % in November.

The latest weekly balance-sheet of the National Bank shews note circulation to the amount of 541.4 million gold crowns, covered to the extent of 58 % by the gold reserve and foreign currencies. If total current accounts for 59 million gold crowns be added to this figure, it will be seen that commitments of 600.4 million gold crowns are covered at a rate of 52.4 %.

The trade balance for October shewed a deficit of 88 million gold crowns as compared with 61 millions in September. This is due to the increase of Austrian imports. The deficit for the first ten months of 1924 is 830 million gold crowns as compared with 537 millions during the same period of 1923. Imports have risen by 30 %, exports by 14 %.

A commercial agreement with Czechoslovakia has been concluded by the Austrian Government. Negotiations for a similar purpose are proceeding with the Government of the Kingdom of the Serbs, Croats and Slovenes.

#### b) *The Financial reconstruction of Hungary.*

##### PROCEEDINGS OF THE COUNCIL.

The question of the financial reconstruction of Hungary was dealt with by the Council on December 9th, in the presence of Count Nemes (Hungary), M. Antonyewitch (Serb-Croat-Slovene Kingdom), and M. Lahovary (Roumania). The Council took note of the last three reports submitted by the Commissioner-General of the League in Budapest <sup>(2)</sup>.

##### PROGRESS OF THE RECONSTRUCTION WORK IN DECEMBER

(Information from the Commissioner-General's Office.)

*The Budget.* — The first Hungarian gold budget since the war was presented to the National Assembly on December 12th. This budget covers the fiscal year

(1) See *Monthly Summary*, Vol. IV, No. 16, p. 229.

(2) See *Monthly Summary*, Vol. IV, No. 11, p. 250.



July 1st 1924-June 30th 1925, and is the amplification of the draft budget contained in the Reconstruction Law. The speech with which the Minister of Finance, Dr. Bud, presented the budget, and in which the whole financial and economic situation was reviewed was received by Hungarian public opinion with great attention.

With regard to the question of the salaries of civil servants, Dr. Bud stated that the rise granted at the beginning of the fiscal year had resulted in 55 % of the budget being devoted to that purpose as against 25 % or 30 % before the war. Thus a level of expenditure had been reached which was higher than that contemplated for the final stage of the control, and which there was as yet no reason to believe Hungary could safely exceed. The Minister added that the only real solution was to reduce the number of officials, and the Government intended to work steadily to that end. At the same time, the financial administration would be simplified and the assessment and collection of taxes improved.

Dr. Bud further announced that the exchange rate for calculating the paper crown equivalent of duties stated in gold crowns was in future to be the real rate of exchange and no longer an officially fixed rate which, for some time past, had been so different from the real rate that duties had in effect been increased by 10 % and more. This decision has a distinct bearing on the forthcoming customs and tariff reform.

For various reasons no commercial agreements, beyond a few the object of which was limited to the most favoured nation clause, have as yet been concluded with foreign States, with the result that when the last import prohibitions are removed, as they will be before January 1st 1925, and the new tariff enters into force all along the line, the very high duties it imposes will not yet have been mitigated.

*Financial Situation.* — Revenue has come in during December at a satisfactory rate. The percentage of the total accounted for by customs dues in December is not quite as large as it was in the previous month, and this is not to be regretted as the effect on the cost of living of a continued influx of high priced goods could not fail to be serious, and the unprecedented receipts from customs dues in November were accompanied by a considerable adverse trade balance, whilst in October (and in November, 1923) exports had exceeded imports. As it is, the wholesale price index has increased slightly during the last six months and the retail price index shows an equally small decrease. The number of unemployed has risen slightly since the summer, but not more than was to be expected at a season when the building trade is necessarily at its dullest.

*Agreement between Hungary and Roumania.* — The Hungarian and Roumanian Governments have now ratified an agreement, concluded last spring after several months of negotiation, for the settlement of questions arising out of the transfer of former Hungarian territory to Roumania. Rules are laid down for the discharge of debts that originated before the present frontier came into existence between Hungarians on the one hand and persons now of Roumanian nationality on the other, the release of deposits, the repayment of advances on the security of Hungarian War Loan, and for the extinction of mortgages and redemption of communal bonds. These questions were exceedingly difficult on account of the exchange problems involved. The agreement also provides for increased facilities for local traffic across the frontier, and in general for the disposal of questions left pending by the Peace Treaty.

#### c) *Greek Refugees Settlement Scheme.*

##### GREEK REFUGEES LOAN

The loan on behalf of Greek Refugees was issued successfully in December. This operation took place simultaneously in London, New York and Greece.

The loan total, which had been fixed at ten million pounds sterling (Greek block : two and a half million sterling; English block : six millions sterling; American block : ten million dollars), was considerably over-subscribed.

Subsequent to this issue, the Greek Minister for Foreign Affairs, M. Roussos, addressed to the Secretary-General the following telegram :

"The Greek Government requests Your Excellency to convey to the Members of the Council of the League of Nations its heartfelt thanks for the very effective aid given by the League of Nations to Greece on the occasion of the Refugees Loan, the issue of which has been a genuine success, definitely assuring the settlement of the refugees."

This loan is to be used exclusively for the establishment of refugees in work of a productive character.

#### GREEK REFUGEES SETTLEMENT COMMISSION

The Council has appointed Mr. Charles P. Howland, a member of the New York Bar, to succeed Mr. Henry Morgenthau, former American Ambassador to Turkey, as Chairman of the Greek Refugees Settlement Commission.

Mr. Howland, who for thirty years attached to two of the most prominent solicitors' firms of New York, represented the Department of State and the American Red Cross in France and Great Britain in 1917-1918, in which capacity he organised the supply of food to American prisoners of war.

Mr. Howland will take up his duties in Athens early in February.

#### d) *The Ottoman Public Debt.*

#### APPOINTMENT OF AN ARBITRATOR

The question of the appointment of an arbitrator in connection with the apportionment of the Ottoman Public Debt was dealt with by the Council on December 10th, when it nominated M. Eugène Borel (Swiss) to this post.

The Council had received from the British, Bulgarian, French, Greek and Turkish Governments communications in connection with this appointment, which was proceeded with in view of the settlement of certain disputes regarding the apportionment among the parties concerned of the Ottoman Public Debt. Article 47 of the Treaty of Lausanne stipulates that the arbitrator shall give his decision within three months.

At the request of the Italian representative, the Council decided to inform all the interested parties, including Governments which had not requested action by the Council, of the appointment of an arbitrator to whom they could address any communication they might consider necessary.

### 3. — COMMUNICATIONS AND TRANSIT

#### AIR NAVIGATION

At its December session the Council, on the proposal of M. Guani (Uruguay) and at the request of the International Commission for Air Navigation, decided once more to draw the attention of the members of the League to the work of the International Commission in connection with the international use of terms and symbols employed in aeronautical technics.

The Council invited States Members to further, as far as they might consider it technically possible, the adoption of the regulations drawn up for this purpose by the Commission.

#### 4. — INTELLECTUAL CO-OPERATION

##### a) *International Institute for Intellectual Co-operation.*

On the report of M. Briand, representative of France, the Council at its meeting of December 13th, noted the draft letter which the French Government proposed to address to the President of the Council. In this letter the French Government undertakes, on certain conditions, to found and maintain an Institute for Intellectual Co-operation. The Council decided to regard this letter as constituting the agreement provided for in the recommendation of the Assembly, and instructed its President, as soon as he should have received it, to confirm to the French Government the Council's agreement to the terms of this undertaking.

In the letter which it proposes to address to the Council, the French Government undertakes to found and maintain in Paris an Institute for Intellectual Co-operation to be placed at the disposal of the League of Nations, on condition that the Institute should preserve the character and the general organisation as laid down in the report of the Committee on Intellectual Co-operation dated July 29 th, 1924 <sup>(1)</sup>. This undertaking will be given by the French Government on certain conditions set forth in this letter, of which the principal are as follows :

1. The administration of the Institute is entrusted to the members of the Committee on Intellectual Co-operation and its general regulations are laid down in an organic statute, which is annexed to the French Government's draft letter and which is in conformity with the Assembly's recommendation of September 23rd, 1924.

2. The French Government shall cause the Institute to be recognised as an autonomous foundation possessing legal personality.

3. The French Government shall supply the necessary premises for the working of the Institute and shall bear all the costs of installation.

4. The French Government shall grant to the Institute an annual subsidy of 2,000,000 French francs, which may be increased after a vote of the two Chambers, should the development of the Institute make this desirable.

5. The French Government shall incur no responsibility resulting from the Institute's activity, while the League of Nations, for its part, assumes no financial or other responsibility or burden whatsoever.

6. Gifts, legacies and subsidies, which shall not be subject to taxation, may be received by the Institute in addition to the subsidy granted by the French Government.

7. The funds necessary for the working of the Institute shall be paid by the French Government every six months in advance; the Governing Body shall prepare the budget as within the limits of this subsidy, with the addition of any further funds which may be received from other sources.

8. The conditions of the undertaking entered into by the French Government may be modified in agreement with the Council of the League of Nations, if experience shows that this is desirable.

9. The undertaking is entered into for a period of seven years, renewable for further periods of seven years, unless it is denounced two years before the end of any such period.

10. The undertaking given in the French Government's letter will naturally be given subject to legislative approval; when this approval shall have been notified to the Secretary-General, the engagement shall become binding.

##### b) *International Institute for the Unification of Private Law.*

On December 13th the Council, on the proposal of M. Salandra (Italy), decided to communicate to the Committee on Intellectual Co-operation, to the technical

(1) See *Monthly Summary*, Vol. IV, No. 7, p. 136.

organisations of the League, and to a Sub-Committee of five members set up by the Committee of Experts for the Development of International Law the final text of the draft statute of the International Institute for the Unification of Private Law.

This draft statute was prepared by the Italian Government in response to an invitation of the Council, which, in accepting the offer of the Italian Government to found an Institute for the Unification of Private Law, requested that Government to communicate, in due course, any suggestions it might desire to put forward as a basis for further deliberations. The Council was invited by the Fifth Assembly to conclude with the Italian Government, after consulting the competent technical organisations, all agreements necessary to ensure the establishment, continuity and proper working of the Institute.

In the meantime the Netherlands Government had drawn the attention of the Council to the work of the conferences on international private law convened by that Government on several occasions at the Hague. Accordingly, the Council authorised the technical organisations to avail themselves of the special experience of the Netherlands Government and to proceed to the necessary consultations, without prejudice to any subsequent consultation the Council might see fit to initiate.

## VIII. — Administrative Questions.

### 1. — DANZIG (1)

A certain number of questions relating to the Free City of Danzig were dealt with by the Council on December 8th and 12th. M. Quinones de Leon (Spain) acted as rapporteur, and M. Stasburger, representing the Polish Government, Dr. Sahm, President of the Senate of the Free City, and Mr. MacDonnell, High Commissioner of the League at Danzig, attended the meeting.

The questions before the Council concerned the expulsion of Danzig nationals from Poland, the Polish Railway Direction in Danzig, the steam-ferry between Holm and the mainland, the transfer of property of the former Prussian Vistula Administration, the Harbour Police, the participation of Danzig in the Stockholm Postal Congress, commercial treaties affecting Danzig concluded by Poland and other States, the principles applicable to the conclusion of agreements between Danzig and Poland, the transformation of public institutions, and the application to Danzig to territory of the Polish Customs Law of July 1st, 1924.

The examination of the three last-named questions was postponed to the next session of the Council. The Council adopted reports on the Harbour Police, the participation of Danzig in the Stockholm Postal Congress and commercial treaties affecting Danzig concluded by Poland and another State. Two of the questions originally on the agenda of the Council were withdrawn as agreement had been reached in connection therewith.

*Expulsion of Danzig nationals from Poland.* — The Council, on the basis of a jurists' report, confirmed the decision of the High Commissioner in this matter. While realising that the number of cases of expulsion was small, it expressed the hope that the Polish Government would in future make every effort to limit as far as possible the number of cases, bearing in mind the special relations which existed between Poland and the Free City.

*Polish Railway Direction in Danzig.* — The Polish Government had appealed to the Council against the decision of the High Commissioner of December 12th, 1922, under the terms of which Poland had no right to establish on Danzig territory

(1) See *Monthly Summary*, Vol. IV, p. 254.

a railway direction to deal with the management of railways other than those situated within the territory of the Free City, except by agreement with Danzig. For nearly two years the parties had endeavoured to reach a settlement by direct negotiation.

On December 12th the Council invited its rapporteur to appoint, in agreement with the Chairman of the Committee on Communications and Transit a committee of three jurists, one of whom must have made a special study of State railways. This committee will be called upon to advise the Council on the question whether the High Commissioner's decision of December 12th, 1922, was in conformity with the treaties, decisions and agreements in force.

*Transfer of certain property of the former Prussian Vistula Administration.* — The Polish and Danzig Governments had appealed against the decision of the High Commissioner that the Danzig Harbour Board should remit to the Polish Vistula Administration the share of former Prussian property assigned to it under a decision of the Commission for the Repartition of German public property in Danzig.

The Council invited the rapporteur, M. Quinones de Leon, to examine with expert assistance the juridical problems raised by the High Commissioner's decision.

*Re-appointment of the High Commissioner.* — The Council, on December 11th, renewed the appointment for another year of Mr. MacDonnell as High Commissioner of the League at Danzig.

*Retirement of the President of the Harbour Board.* — The Council noted a communication from Colonel de Reynier (Swiss), President of the Danzig Harbour Board, to the effect that he would be unable to accept re-appointment for a further period to his office. The Council and the representatives of Danzig and Poland expressed their thanks for the work which Colonel de Reynier had done during four years of office at Danzig.

## 2. — THE SAAR

*Public education in the Territory.* — The question of public education in the Saar Territory was examined by the Council on December 11th. M. Rault, Chairman of the Saar Governing Commission, attended the meeting.

In a series of notes the German Government had protested against the educational system in force in the Territory as being an infringement of the Treaty of Versailles, in particular of paragraph 28 of the Saar Annex, which provides that the Saar inhabitants shall retain their schools under the supervision of the Governing Commission.

The German Government further maintained that an extension of the system introduced by the French Mining Administration might prove detrimental to the German schools of the Territory and demanded that the educational system formerly in use should be re-established, that the French schools should only be attended by French children and that French schools giving other than primary or technical instruction should be closed. The German Government also submitted to the Council two legal opinions on the questions by a German and an American jurist.

The Governing Commission, in answer to these complaints, stated that the Treaty of Versailles conferred on France the right to found schools "incident to the Mines" for the employees of the French State Mines and their children. Other children have only been admitted to these schools at the special request of their parents. The total number of pupils in the schools of the Territory is 125,000. Those enrolled in the twenty-two French Mines School number 5,300.

In his report to the Council, M. Salandra (Italy) expressed the opinion that the very detailed communications sent in by the Governing Commission shewed that the latter was aware not only of the legal aspect of the problem of public education in the Saar but also of its political and moral bearing, and in particular of the importance which public opinion in the Territory attached to the question.

The Council, therefore, on the proposal of the rapporteur, decided to rely on the wisdom of the Governing Commission which had expressed its conviction that it would find the means of allaying the anxiety which this matter seemed to have aroused in certain sections of the Saar population.

### 3. — WORK OF THE PERMANENT MANDATES COMMISSION

On December 10th the Council adopted the Report of the Swedish representative on the work of the Permanent Mandates Commission at its fifth session <sup>(1)</sup>. Marquis Theodoli, Chairman of the Permanent Mandates Commission, was present at the meeting.

The Council expressed itself satisfied that the mandated territories were, in general, administered in accordance with the spirit and letter of Article 22 of the Covenant. It decided to forward to the Mandatories the observations of the Commission with regard to the annual reports on the administration of the mandated territories. These observations concern *inter alia*, the judicial system, the general administration, the system of land tenure, the conditions of labour, education, public health, the arms trade, the financial administration, and the alcohol trade in the mandated territories.

The Council approved the conclusions of the Commission with regard to a petition of the Executive Committee of the Palestine Arab Congress. The Commission, after noting the explanations of the British High Commissioner in Palestine, was of opinion that no action need be required of the Council. During the debate on the observations of the Commission with regard to the administration of Palestine, the British representative, Mr. Austen Chamberlain, pointed out that the British Administration in Palestine had a very difficult task and that he was not quite certain that the Commission had entirely appreciated all the efforts of the Administration to fulfil its onerous duty. With regard to the criticisms concerning Jewish immigration, Mr. Chamberlain said that a certain number of the settlers had previous agricultural experience and that others had founded new industries in the country.

Marquis Theodoli, Chairman of the Permanent Mandates Commission, recognised that the task of the High Commissioner was beset with difficulties to which the Commission had felt it to be its duty to draw the attention of the Council. He added that he was certain that the High Commissioner would succeed in surmounting these difficulties and in adopting regulations for the Jewish immigration.

The Council requested the British Government to furnish to the Commission, as far as possible, information on the debates of the British Imperial Conference in 1923 relating to the question of the acquisition of the nationality of the Mandatory Power by the inhabitants of territories under "B" and "C" Mandates, and on the negotiations between Great Britain and the United States on the subject of "C" Mandates.

*Appointment of Professor Rappard to the Permanent Mandates Commission.* — The Council, on December 11th, appointed Professor William Rappard extraordinary member of the Permanent Mandates Commission. Professor Rappard was for the past five years Director of the Mandates Section of the Secretariat.

(1) See *Monthly Summary*, Vol. IV, No. 11, p. 255.

## IX. — The Protection of Minorities.

### 1. — EXCHANGE OF GREEK AND TURKISH POPULATIONS <sup>(1)</sup>

The question of the Greeks of Constantinople was dealt with by the Council on December 13th, in the presence of M. Carpanos, representing Greece, Dr. Tewfik Rouchdi Bey (Turkey) and General de Lara, Chairman of the Mixed Commission for the Exchange of Greek and Turkish Populations.

On the proposal of Viscount Ishii (Japan), the Council, complying with the request of the Mixed Commission, decided to ask the Permanent Court of International Justice to give an advisory opinion on the interpretation of certain provisions of Article 2 of the Lausanne Convention regarding the Exchange of Greek and Turkish Populations (January 30th, 1923) <sup>(2)</sup>.

### 2. — THE GREEK MINORITY IN CONSTANTINOPLE AND THE TURKISH MINORITY IN WESTERN THRACE

At the extraordinary session of the Council in October the Greek and Turkish delegates raised the questions of the Greek Minority in Constantinople and the Turkish Minority in Western Thrace respectively, both parties stating that they would agree to an enquiry being undertaken, if necessary, by the Council as to the position of these minorities.

The Council noted these declarations and invited the representatives of both Governments to send in full statements on the subject. These statements having been received too late to be dealt with at the December session, the Council, on December 13th, decided to place the question on the Agenda of its next session. The Council invited both the Greek and Turkish Governments, pending further action on its part, to refrain from doing anything which might be prejudicial to the personal and material interests of the populations in question. The representatives of both Governments agreed to this proposal.

### 3. — MOSLEMS OF ALBANIAN ORIGIN IN GREECE <sup>(3)</sup>

In September last the Council decided that the question whether the Albanian minority in Greece was treated in conformity with the engagements binding Greece in this connection was a question of the application of the Greek Treaty for the Protection of Minorities and should be dealt with as such. On this occasion the Greek representative declared that his Government was willing to accept any suggestion the Council might see fit to make and eventually to accept the supervision of the League.

On December 11th, the Council, on the report of M. Quinones de Leon (Spain), decided to invite the neutral members of the Mixed Commission for the Exchange of Greek and Turkish Populations to act as the mandatories of the Council for the protection of the Albanian minority in Greece. The Council further decided that information on this subject should be communicated direct to these members or their representatives who would submit to the Council periodical reports.

The Council also requested the Greek Government to restore without delay the property of Moslem Greeks of Albanian origin who had already been recognised by the Mixed Commission as not subject to exchange.

The Greek representative expressed his agreement with the proposals adopted by the Council. The Turkish Government has also given its assent.

(1) See *Monthly Summary*, Vol. IV, No. 10, p. 237.

(2) See Chapter III of this number "The Permanent Court of International Justice".

(3) See *Monthly Summary*, Vol. IV, No. 10, p. 236

## X. — Political Questions.

### THE SITUATION IN ALBANIA

The Secretary-General received in December from Mgr. Fan Noli, Prime Minister and Acting Minister for Foreign Affairs of Albania, a telegram concerning the situation in his country.

This telegram, which was dated December 18th, stated that the recent disturbances in Albania had been organised in Serbian territory. Mgr. Fan Noli, therefore, requested the Secretary-General to bring the matter to the attention of the Serbian Government. This request the Secretary-General complied with, at the same time informing the States Members of the Council.

On December 20th the Albanian Government requested that the question be submitted to the Council with as little delay as possible under Articles XII and XV of the Covenant. Accordingly, the Secretary-General invited the Governments of Albania and of the Kingdom of the Serbs, Croats and Slovenes to furnish any information which might be of value for the investigation provided for in Article XV. He informed the Members of the Council of this second request and of his action.

## XI. — Social and Humanitarian Questions.

### 1. — TRAFFIC IN OPIUM

#### a) *The International Opium Conferences.*

The two International Conferences <sup>(1)</sup> which met at Geneva to study the problem of opium and prepared drugs, after sitting throughout December, decided to adjourn until the middle of January.

### I

The First Conference <sup>(1)</sup>, which was convened by the Council for the purpose of bringing about the gradual suppression of opium smoking in Far Eastern countries, reached an agreement, the main points of which are as follows :

The importation, sale and distribution of opium, will constitute a State monopoly, and the right to import, sell or distribute opium may not be leased, accorded or delegated to any persons whatever;

The making of prepared opium for sale must also be made a Government monopoly as soon as circumstances permit;

The sale of opium to minors will be forbidden, and minors will not be allowed to enter smoking dens;

The exportation of opium, whether raw or prepared, from a possession or territory which continues to allow the importation of opium for smoking purposes will be prohibited.

The transit through, or transshipment in, any such possession or territory, of prepared opium will be prohibited.

The transit or transshipment of raw opium will also be prohibited unless an import certificate issued by the Government of the importing country which can be accepted as affording sufficient guarantees against the possibility of illegitimate use, is produced to the Government of the possession or territory in question.

(1) See *Monthly Summary*, November 1924, p. 257.

(2) See *Monthly Summary*, November 1924, p. 257.



The Contracting Powers undertake to assist each other in their efforts to suppress smuggling by the direct exchange of information and views between the heads of the services concerned,

The Contracting Powers agree that they will jointly review from time to time, at such dates as may be mutually decided, the position in regard to the provisions of the Hague Convention which concern the reduction of the consumption of drugs. The first meeting will be held in 1929 at the latest.

This agreement, however, has not been signed by any of the Delegations except that of India. At the final meeting, the representative of Great Britain said that he had been instructed to ask for an adjournment in order that his Government might have time to examine the United States' proposal to submit the question of the use of opium for smoking to the Second Conference. The French representative also stated that he was not in a position to sign the agreement.

In these circumstances, the President decided to adjourn the First Conference *sine die*.

## II

The Second Conference remained in session until December 16th, on which date it suspended its meetings for three weeks. The Conference will meet again on January 12th. The Sub-Committees continued working until December 18th.

Although the conclusions of the Sub-Committees have not yet been submitted to the full Conference and cannot, therefore, be regarded as constituting definite results, it is fairly safe to state that, to all appearances, agreement is assured on certain essential points, namely :

(a) The control of the international trade. Sub-Committee A has decided in favour of the principle of the import certificate, which means that all Government shall undertake to refuse permission to export the products referred to in the Convention unless they receive a certificate from the Government of the importing country attesting that the imported substances are intended for legitimate consumption.

(b) *The Control of manufacture.* — Sub-Committee A has decided to propose the formation of a Central Board to receive from the signatory Governments an estimate of the quantities of substances referred to in the Convention, required for legitimate domestic consumption within their territory, and also statistics concerning quantities purchased, imports (showing country of origin), exports (showing the country of destination), quantities manufactured, and the amount of the wholesale stocks in the country.

The Central Board will thus be able to follow very closely the movement of production, manufacture and trade. If the information at its disposal leads it to conclude that any country is accumulating unnecessarily large stocks and is in danger of becoming a centre of illicit traffic, the Board will have the right to request an explanation from the country in question. If the country furnishes no explanation within a reasonable period, or if the explanations given are not satisfactory, the Central Board may draw the attention of all the Governments and of the Council to the fact, and may recommend that no further exportation to this country should be allowed until notification is received from the Central Board that the situation as regards its drug traffic has been satisfactorily cleared up.

The Central Board may take similar steps in respect of countries which have not signed the Convention, should the information at its disposal lead it to conclude that one of these countries is in danger of becoming a centre of illicit traffic.

(c) The scientific definitions of the products referred to in the Convention and the rules to be applied to pharmaceutical products (Sub-Committee F.).

### III

The American Delegation submitted two proposals to the second Conference, with the request that the latter would declare itself competent to deal with them.

The first referred to the prohibition of the manufacture and consumption of heroin. The Conference unanimously decided to refer this proposal to a Committee.

The second was to the effect that, the Contracting Parties should enact effective laws or regulations for the control of the production and distribution of raw opium (unless laws or regulations on the subject were already in existence) and coca leaves so that there would be no surplus available for purposes not strictly medical or scientific.

The Conference by a majority vote declared itself competent to examine this proposal, which was referred to a Committee.

The American Delegation further submitted to the Conference a proposal to the effect that the Powers in whose territory the use of prepared opium for smoking purposes is now temporarily permitted should agree to reduce their imports of raw opium for the purpose of making prepared opium by 10 % of their present importation each year for a period of 10 years.

The Conference adjourned without reaching a final decision as to whether this proposal should be referred to a Committee.

It adopted the following motion submitted by its President :

"The Second Opium Conference, consisting of States invited by the Council of the League of Nations to consider problems connected with the extension of The Hague Convention :

"Considering that the Conference has now been in session for a month;

"Considering that certain important questions have arisen in the Conference :

"Decides :

"(1) To take advantage of the coming holiday session to adjourn all plenary sessions until January 12th, when the first order of business shall be the continuation of the discussion of the motion of the Delegation of the United States of America.

"(2) To ask its various sub-committees to continue during this week, the discussion of the subjects now under consideration in order that the results at which they have arrived may be distributed at the earliest possible moment and thoroughly considered during the period of adjournment, reserving, however, the right to the Presidents of the sub-committees to adjourn the debates according to the wishes of the members."

#### b) *Proceedings of the Council.*

On December 8th the Council, after hearing Dr. Uden's Report, decided to invite the Government of Bolivia to appoint a representative on the Advisory Committee on Opium. It also instructed the Secretary-General, as soon as the Swiss Federal Government had deposited at the Hague the instrument of ratification for the Opium Convention of 1912, to invite this Government to appoint a representative on the Committee.

Further, it requested the Opium Advisory Committee to consider the advisability of drawing up a scheme of popular instruction in the consequences of the abuse of narcotics (1). In this connection the Council decided to transmit to the Committee a letter from the Director-General of the League of Red Cross Societies containing an offer of help in the work of propaganda. It also asked the Secretary-General to bring to the notice of the Opium Committee the opinion of the Health Committee that propaganda directed against the use of cocaine and morphine should reach only medical practitioners and students, since ill-considered propaganda would be likely to arouse morbid curiosity.

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(1) See *Monthly Summary*, Vol. IV, No. 9, p 199.

## 2. — TRAFFIC IN WOMEN AND CHILDREN

On the report of Mr. Austen Chamberlain (Great Britain), the Council decided, at its meeting of December 10th, to conform with the Assembly Resolution and invite those States which have either not adhered to, or not ratified, the 1921 Convention on the Traffic in Women and Children, to explain the reasons that may have prevented their doing so.

## 3. — PROTECTION OF CHILDREN

On December 10th the Council decided to adopt Mr. Austen Chamberlain's Report and reconstitute the Committee on Traffic in Women and Children under the new title of "Committee on the Traffic in Women and Protection of Children" (1).

At the request of the Belgian Delegate to the Council, it was decided to add a Belgian member to the Government representatives on the Committee and also to appoint five new assessors, who would sit whenever questions relating to the protection of children were discussed.

These new assessors will be chosen by the International Association for the Protection of Children, the International League of Red Cross Societies, the International Organisations of Boy Scouts and Girl Guides, and the "Union Internationale de Secours aux Enfants". The Council has also invited Mr. Bascom Johnson, of the Social Hygiene Bureau of New York to be one of the assessors.

As certain questions relating to the protection of children fall within the scope either of the International Labour Office or of the Health Organisation of the League, the Council has asked the International Labour Office to appoint a representative to be present at the meetings of the Health Committee at which questions of this kind are discussed, and has invited the Health Organisation to nominate, if it wishes, a representative to attend as an assessor the meetings of the Committee on Traffic in Women and Protection of Children.

The Committee, thus reconstituted, has been convened for February 17th, 1925. Owing to the wide scope of the problem of the protection of children the Council has asked the Committee to draw up a programme of the work to be undertaken and the methods to be followed. At the suggestion of the representative on the Council for Uruguay, it has also been asked to consider the best means of bringing about collaboration with the Latin American organisations that deal with the protection of children.

## 4. — RUSSIAN AND ARMENIAN REFUGEES

In accordance with the instructions of the Fifth Assembly, the Council, on December 8th, invited Dr. Nansen to continue to co-operate in the work on behalf of Russian and Armenian refugees.

The work connected with the employment, emigration and repatriation of refugees has been transferred on Dr. Nansen's proposal to the International Labour Organisation (2). Dr. Nansen will, however, continue, under the mandate of the Assembly and the Council, to deal with such political and legal questions as may not fall entirely within the sphere of the International Labour Organisation, and for which the Director of the International Labour Office may deem it necessary to seek the assistance of the League.

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(1) See *Monthly Summary*, Vol. IV, No. 9, p. 196.

(2) See *Monthly Summary*, Vol. IV, No. 9, p. 197.

## 5. — INTERNATIONAL FEDERATION FOR MUTUAL ASSISTANCE IN THE RELIEF OF PEOPLES OVERTAKEN BY DISASTER

The question of an International Federation for Mutual Assistance in the Relief of Peoples overtaken by Disaster was dealt with by the Council at its December session, when it decided to appoint a Committee to prepare, in conjunction with the Secretariat, a report on the subject.

The Committee will comprise nine members, namely, Senator Ciraolo, President of the Italian Red Cross and the author of the international relief scheme; a member to be selected by the League of Red Cross Societies; Colonel Robert E. Olds, European delegate of the American Red Cross during the war, and Colonel Ernest P. Bicknell, vice-chairman of the American Red Cross (these two members will sit alternately); Mr. Maudslay, member of the Council of the British Red Cross and expert on the subject of private relief organisations; a Swedish member, expert on the subject of collective insurance; M. Baetens of the Overseas Bank, Brussels, Director during the war of the transport and supply organisation for refugees; M. Bernstein, legal adviser to the German Bank Syndicate; M. Sarraut (France), Senator; and M. Fernandez y Medina, Minister of Uruguay at Madrid.

The Council decided that the report in question should define the sphere of action of the new organisation and estimate its financial needs and the approximate contribution each participating State would have to make; the possibility of voluntary assistance should be reckoned with.

## 6. — SPECIAL FACILITIES FOR RED CROSS ORGANISATIONS

The Council of the League of Nations has received from the Mixed Committee of the International Red Cross Committee and the League of Red Cross Societies a request for special facilities for the passage through national territories of Red Cross staff or materials sent on a mission of international relief.

Without giving any opinion on the technical aspects of the questions arising with regard to transport and customs, the Council, on the proposal made by Viscount Ishii on December 8th, decided to invite the States Members of the League of Nations to give their friendly consideration to the general request of the Red Cross, and also to any particular requests which may from time to time be made.

## XII. — Letter of the German Government to the Secretary-General of the League of Nations.

The German Minister of Foreign Affairs addressed to the Secretary-General a communication, dated December 12th, concerning certain problems in connection with the adhesion of Germany to the League of Nations.

This communication was accompanied by the memorandum on the same subject, addressed by Germany in September, 1924, to the States Members of the Council. The text of both documents is given below :

### Letter <sup>(1)</sup>

Berlin, December 12th, 1924.

On behalf of the German Government, I have the honour to submit to you the following communication :

The German Government is of opinion that political developments during the past year have rendered it possible for Germany to join the League of Nations.

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(1) Translation furnished by the German Government.

Accordingly, the German Government resolved last September to consider the question of Germany's adhesion to the League in the near future. In pursuance of this intention, the Government first entered into communication with the governments represented on the Council of the League of Nations and submitted to them a Memorandum having for its object the elucidation of certain problems of importance connected with Germany's co-operation in the League.

As will be seen from the Memorandum, a copy of which is appended hereto, the object was to ascertain the attitude of the said governments with regard to Germany becoming a member of the Council of the League of Nations as well as with regard to the participation of Germany in the sanctions provided for in Article 16 of the Covenant. The Memorandum was also intended to inform the said Governments of Germany's views concerning certain other points connected with the question of Germany's adhesion to the League.

The German Government has now received the answers to the Memorandum. It notes with pleasure that its decision has been accorded full approval in the replies furnished by the Powers represented on the Council of the League. The German Government, moreover, believes the replies justify it in concluding that its wish for Germany to have a seat on the Council of the League is being favourably considered by the Governments now represented on the Council. On the other hand, so far as Article 16 is concerned, the replies have not as yet led to a satisfactory conclusion.

As the observations on this point in the Memorandum show, the German Government was desirous of finding a way out of the difficulties in which Germany, on account of her peculiar territorial situation, might become involved by the application of this article.

The said Governments, however, have either left these difficulties out of consideration or they have sufficiently appreciated the apprehensions of the German Government. In their replies, they all give expression to the opinion that Germany's application for admission to the League of Nations should be made without reservations and without restrictions; for the rest, they confine themselves to stating that the League of Nations is the competent body to decide the question.

The problem at issue is of such extraordinary importance for Germany's future that the German Government cannot simply leave it for later consideration.

Under these circumstances, the German Government sees no alternative but to submit the problem to the League of Nations itself. In the hope that the League will recognise the necessity for a prior discussion of the subject and will consequently be prepared to arrange for this now, the German Government begs to present herewith one more the facts of the case and its own interpretation thereof.

Article 16 regulates the procedure to be adopted against the Covenant-breaking State in the case of a violation of peace. The article binds the Members of the League to economic and military measures such as in general have hitherto implied a state of war. In any case, the States participating in such measures must expect to be treated as belligerents by the State affected. It is obvious that the principle underlying such a system of sanctions can only be realised in practice if carried out subject to arrangements and agreements which safeguard the participating Members to the utmost against belligerent acts on the part of the Covenant-breaking State. This is not the case under the Covenant of the League of Nations. In principle, it is true, the execution of military operations against the Covenant-breaking State is provided for, but not yet regulated. The execution of such measures is not subject to the central authority of the League but is left to the discretion of the individual Members. The success of the sanctions, moreover, may be jeopardized when they are directed against States having at their disposal, as is still the case now, an unlimited and powerful war equipment.

It is true that on account of the foregoing nearly all Members run a certain risk. The risk, however, becomes unbearable in the case of a country like Germany which is centrally situated and completely disarmed. The following facts

are illustration of the situation created by the unilateral disarmament of Germany. Germany, a country with over 60 million inhabitants, with a frontier 5,000 kilometres in length and a coast-line exceeding 2,000 kilometres, has an army of 100,000 effectives all told. Universal compulsory military service has been abolished and no reserves may be trained. Quite apart from the question of their numerical inferiority, the troops which Germany is permitted to maintain cannot, in any way, be compared with the armies of other countries. They are entirely lacking in the equipment necessary for modern warfare. They possess no heavy artillery, no air craft and no tanks. The German fortresses on the western frontier have been razed; and the few fortresses remaining elsewhere in Germany are wholly antiquated. In the West 55,000 square kilometres of German territory have been demilitarized, not to Germany's advantage, however, but solely to the advantage of her neighbours. There are no State munition factories in Germany. The capacity of the existing factories producing munitions and implements of war the number and speciality of which have been accurately determined, just suffices to satisfy current peace-time demands. Any rapid adaptation of other factories to meet the demands of the army in the event of possible hostilities has been rendered impossible by the demolitions effected under the Treaty of Versailles. All measures of mobilization are prohibited. The strength of the Navy is far below the armament limits fixed in the Washington Agreement of 6th February 1922. On the other hand, apart from the navies, the armaments possibilities of the other European States are entirely unlimited and their output of modern war material is subject to no restrictions. Some States adjoining Germany possess, even according to their peace-time status, 5,000 tanks, 1,500 military aeroplanes and 350 batteries of heavy artillery, all of these States have at their disposal large reserves of material in the event of war. One such neighbouring State, a State with fewer than 8 million inhabitants, has a standing army of 80,000 men; another, with fewer than 14 million inhabitants, has a standing army of over 150,000 men; a third, with fewer than 30 million inhabitants, has a standing army of 275,000 men; a fourth, with fewer than 40 million inhabitants, has a standing army of over 700,000 men. All these armies are based on the system of universal compulsory military service, which, in the event of war, ensures the utilization of the entire strength of the nation.

Hence, Germany stands militarily quite impotent in the midst of a heavily armed Europe. Should the measures provided for in Article 16 lead to hostilities, Germany is incapable of effectively protecting her territory against military invasion. She would be completely dependent upon the Members of the League for military protection, without there existing any power to compel these to afford that protection. In the majority of conceivable cases, Germany would be so to speak predestined to be the scene of European League wars. Even if the Covenant-breaking State should not be an immediate neighbour of Germany, it is to be feared that unfavourable developments in military operations might carry the war into her unprotected territory. Even assuming the loyal fulfilment of their obligations under the Covenant, one must bear in mind that the League's non-German troops would never defend German soil with the same devotion that they would show in the case of their own country being involved. That the German troops, in view of their small numbers and their lack of all modern means of warfare, could play only an insignificant part in such wars needs no further proof.

All this is the necessary consequence of the fact that the entire organisation of the League of Nations as a whole is hardly compatible with the military preponderance of individual States, whether they are Members of the League or not. The organisation of the League presupposes that the armaments of the several States have been fixed for them approximately on the basis of taking into account their geographical situation and the extent of their territory. This condition, in so far as Germany is concerned, will not be fulfilled even when the disarmament of the other States has been effected in accordance with the Covenants of the League

of Nations; for these set a limit to the reduction of military powers which does not prejudice either the requirements of national safety or the enforcement by common action of international obligations. The general standard of armament, therefore, would even then be far higher than the German standard.

It is the opinion of the German Government that there is only one way out of the difficulties arising from this disparity in case of Germany's participation in the execution of sanctions : Should international conflicts arise, Germany ought to be at liberty to determine how far she will take an active part in them. This is no special privilege which Germany is demanding. She merely asks that her peculiar situation be taken into consideration when her obligations as a Member of the League are being fixed. Otherwise, by her becoming a Member of the League of Nations, she would be compelled to waive her right to neutrality, the last defence of a disarmed people.

The German Government is not able to judge in what form its desire could be fulfilled. It is not in possession of any authentic information as to how the system of sanctions is planned and regulated in detail. From the "Protocol on the Pacific Settlement of International Disputes" which you transmitted to the German Government, together with your esteemed communication dated October 27th of this year, the German Government infers that considerations on the lines of the above have already been weighed by the League of Nations. According to Article II, paragraph 2, of the said Protocol the geographical and military situation of the individual States as regards their participation in sanctions is to be taken into account. Apart from the fact that the Protocol has not yet come into force, it would seem, however, that the obligation of all Members to participate in blockade measures, to give active support to economic sanctions and to suffer the passage through their territory of the participating forces is to remain unaffected by the said provision. This would deprive all Members of the possibility of remaining neutral. Thus, Germany even after the coming into force of the Protocol would still be faced with all the dangers which were briefly indicated above.

The German Government hopes that the League of Nations will recognize the justification of these apprehensions and will discover means of removing them. It is of opinion that it is possible to take account of German interests without thereby in any way doing violence to the organization of the League of Nations or to its work. May I, therefore, request you, Sir, to place at the earliest convenient date, the whole question before the competent authorities of the League of Nations.

#### MEMORANDUM BY THE GERMAN GOVERNMENT

The German Government recognises that only by safeguarding peace and establishing international solidarity will it be possible for humanity to raise itself to a higher level of civilisation. The welding together of States into a single League of Nations would appear the most promising means of realising this ideal. In 1919 Germany submitted through her delegation to the Peace Conference at Versailles a request for admission to the League of Nations, which was refused by the Allied and Associated Governments. The reason why this request has not since been renewed is the fact that, in view of the political situation as it developed after the coming into force of the Treaty of Versailles, the German Government did not consider that this co-operation in the work of the League would be likely to produce useful results. Now, however, particularly in consideration of the proceedings of the London Conference and its results, the German Government believes that the foundation for useful co-operation with the League of Nations has been laid. It has, therefore, decided to seek the admission of Germany into the League of Nations without delay.

In view of the tenor of the previous international discussions on this question, the German Government do not consider it opportune to apply for admission to the League of Nations without further preparation. In order to avoid anything which might react unfavourably on the calmer political atmospheres of the moment, the German Government desires, first of all, candidly to discuss with the Governments represented on the Council certain questions which are of paramount importance for the future co-operation of Germany in the great work of the League of Nations.

1. The German Government has no intention of claiming special privileges for Germany. It recognises that the full development of the League can only proceed along lines of absolute equality between the States of which it is composed. However, so long as the Covenant of the League of Nations assigns a privileged position to certain States, inasmuch as it grants them the right of permanent representation on the Council, which is primarily the executive organ of the League, the German Government must claim the same right for Germany. In applying for admission to the League, Germany must therefore possess the certainty that immediately upon her admission she will obtain a permanent seat on the Council. The German Government assumes at the same time that upon Germany's admission to the League she would *ipso facto* take her place on a footing of equality in the other organizations of the League, and especially in the Secretariat. A permanent seat on the Council can only be granted by a unanimous decision of the Powers represented on that body. The German Government therefore requests the... Government to be so good as to inform it whether it would be prepared at the proper moment to give instructions in that sense to its representative on the Council.

2. Article 16 of the Covenant provides for the participation of the States Members of the League in coercive measures against any State breaking the Peace. So long as the present inequality in armaments consequent upon the disarmament of Germany continues to exist, Germany—unlike other Members of the League—will not be in a position to take part in any coercive measures which may be undertaken in virtue of Article 16. A disarmed nation, which does not even possess the necessary means of defending its frontiers, surrounded by fully armed neighbours equipped with all the most up-to-date implements of war, cannot possibly agree beforehand to abandon its neutrality in the event of an international conflict. It would run the risk of being regarded by the State against which the League is taking action as a belligerent nation and of being treated as such. For this reason the German Government will be compelled to make a reservation to this effect when submitting its application for admission. It would be glad to know beforehand what the... Government's views are in regard to this matter.

3. Article 1 of the Covenant of the League of Nations makes the admission of new members contingent upon their giving effective guarantees of their sincere intention to observe their international obligations. In the opinion of the German Government there can be no reason to doubt that the requisite guarantees exist in the case of Germany. The German Government however is prepared to confirm by a formal declaration to the League of Nations its sincere intention to observe its international obligations. Such a declaration would not, however, in any way affect the declarations made on previous occasions by the German Government in regard to these obligations. In particular, the declaration referred to should not be understood to imply an admission by the German Government of those assertions on which Germany's obligations are based and which lay a moral responsibility upon the German people. In this connection the German Government feels that the actual fulfilment of Germany's Treaty obligations does not depend solely on her good intentions. It must again lay stress on the fact that an essential condition for the carrying out of the London Agreement is the speedy reestablishment in the Rhineland and Ruhr of conditions compatible with the provisions of the Treaty of Peace.

4. Article 22 of the Covenant of the League of Nations provides that the tutelage of peoples not yet able to stand by themselves should be entrusted to advanced nations who, by reason of their resources and their experience, can best undertake this responsibility. Germany, who since her defeat has been excluded from all colonial activities, expects that in due time she will be given an active share in the working of the Mandates system of the League of Nations.

The German Government feels convinced that, if the above considerations are taken into account, conditions will be created which will react favourably not only on the interests of Germany but also on those of the League. Germany is prepared to co-operate in the work of the League, in which she considers she is entitled to share, and she trusts that she may be instrumental in bringing the ideals of the League nearer realisation. Germany may hope this the more confidently since her admission would constitute an appreciable step towards the establishment of the universality of the League. The universality of the League of Nations must be regarded as an essential condition, without which it cannot reach a state of complete efficiency. Only when universality has been established will the true spirit of democracy, the spirit of reconciliation and good-will, which has borne its first fruits in London, preside over the solution of all those problems which still divide the peoples. The German Government will always consider it its foremost duty to bend all its endeavours towards the attainment of this goal.



### XIII. — Competition in view of the Selection of a Plan for the Construction of a Conference Hall for the League of Nations.

In accordance with a resolution passed by the Fifth Assembly on September 25th, the League of Nations will shortly hold a competition for the selection of a plan with a view to the construction of a Conference Hall at Geneva. The competition will be open to architects who are nationals of States Members of the League.

The plans submitted will be examined and their order of merit decided by an international Jury composed of the following architects :

Professor Joseph Hoffman. . . . .	(Austria)
M. Victor Horta. . . . .	(Belgium)
M. Lemareshquier. . . . .	(France)
Sir John Burnet, A. R. A., F. R. I. B. A. .	(Great Britain)
Professor Muggia . . . . .	(Italy)
M. Carl Moser. . . . .	(Switzerland)

The jury will meet on January 6th.

A sum of 100,000 Swiss francs will be placed at the disposal of the Jury to be divided among the architects submitting the best plans.

The programme of the competition will be ready in February 1925 and will be despatched from Geneva so that Governments and competitors may receive copies on approximately the same date. Copies for distant countries will therefore be despatched first. Each Government will receive a certain number of free copies. Single copies can be procured direct from Geneva for the sum of 20 Swiss francs payable in advance, but will not be forwarded until the copies for Governments have been despatched.

### XIV. — Forthcoming Events

- In session :      Second Opium Conference, Geneva.  
                       »      The Permanent Court of International Justice, The Hague.  
 January 23rd : Meeting of the Supervisory Commission, Geneva.  
 January 26th : Meeting of the Sub-Committee on Economic Crises, Geneva.  
 January 28th : Fourteenth session of the Economic Committee, Geneva.  
 February 4th : Conference in connection with the Far Eastern Epidemiological Intelligence Bureau, Singapore.  
 February 5th : Meeting of the Permanent Advisory Commission on Military, Naval and Air Questions, Geneva.  
 February 15th : Meeting of the Committee of Enquiry into the Reform of the Calendar.  
 February 16th : Meeting of the Co-ordination Commission, Geneva.  
 February 17th : Meeting of the Advisory Committee on Traffic in Women and the Protection of Children, Geneva.  
 March 9th :      Thirty-third session of the Council.  
 April 20th :      Fourth session of the Health Committee, Geneva.  
 April 22nd :      Meeting of the Allocation Committee.  
 April 29th :      Meeting of the Supervisory Commission, Geneva.  
 May 4th :        International Conference on the Control of the Traffic in Arms and Munitions, Geneva.

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(Prepared by the Information Section)

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